

Benchmarking Analysis

**Mercer 2002 National Survey
of Employer-Sponsored Health Plans**

Washington Fire Commissioners Association

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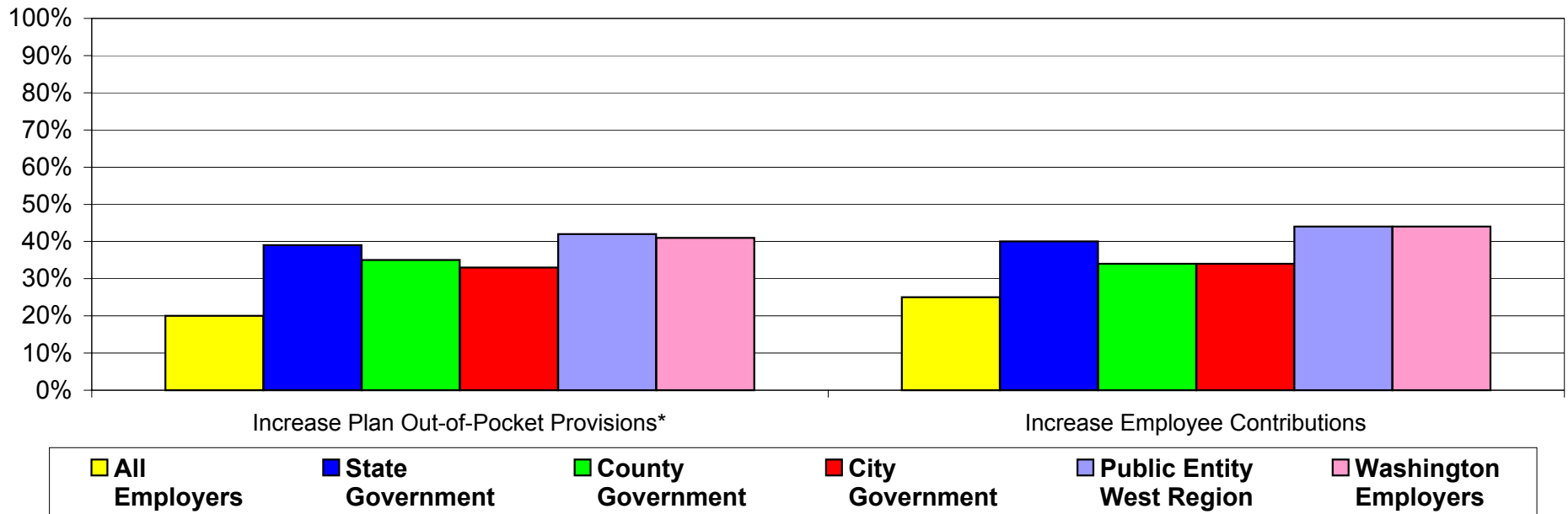
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BENCHMARKING ANALYSIS

PERCENTAGE OF EMPLOYERS PLANNING COST-SHARING CHANGES IN 2003

<u>Percentage of Employers Planning:</u>	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers
Increase Plan Out-of-Pocket Provisions*	20%	39%	35%	33%	42%	41%
Increase Employee Contributions	25%	40%	34%	34%	44%	44%

* Increase deductibles, copays, coinsurance, and/or out-of-pocket maximum.



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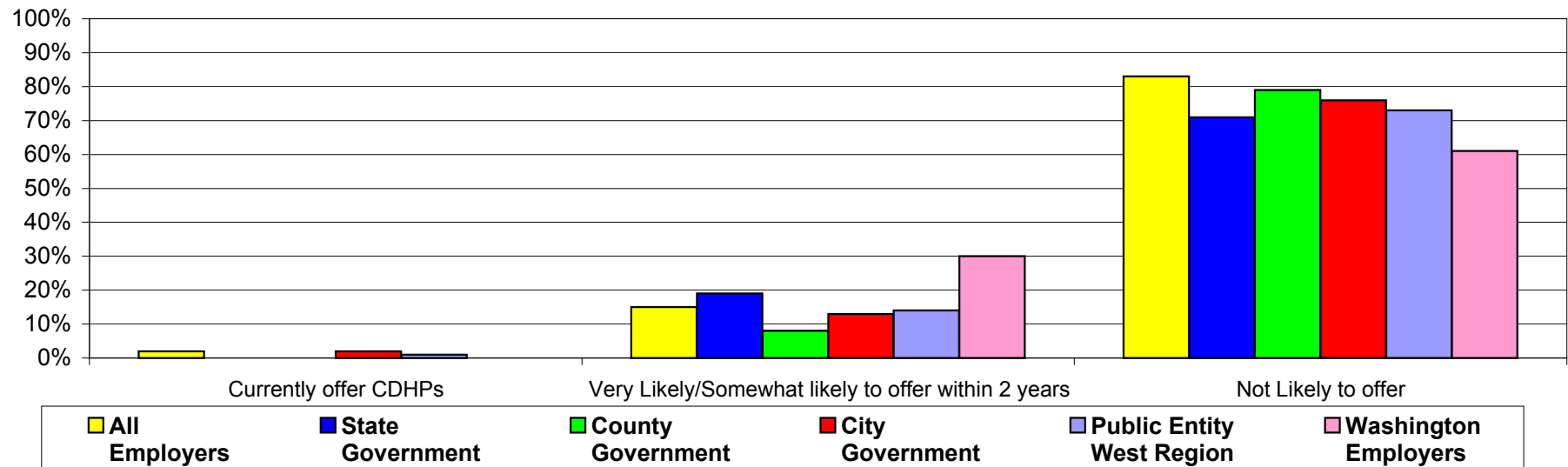
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BENCHMARKING ANALYSIS

2002 ~ PERCENTAGE OF EMPLOYERS OFFERING CONSUMER DIRECTED HEALTH PLANS (CDHP)*

<u>Percentage of Employers Using the Following:</u>	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers
Currently offer CDHPs	2%	0%	0%	2%	1%	0%
Very Likely/Somewhat likely to offer within 2 years	15%	19%	8%	13%	14%	30%
Not Likely to offer	83%	71%	79%	76%	73%	61%

*Employers use employer-funded spending accounts to purchase routine health care services. Non-routine expenses are covered by traditional insurance. Online health and financial tools are provided.



Based on Mercer 2002 National Survey of Employer-Sponsored Health Plans

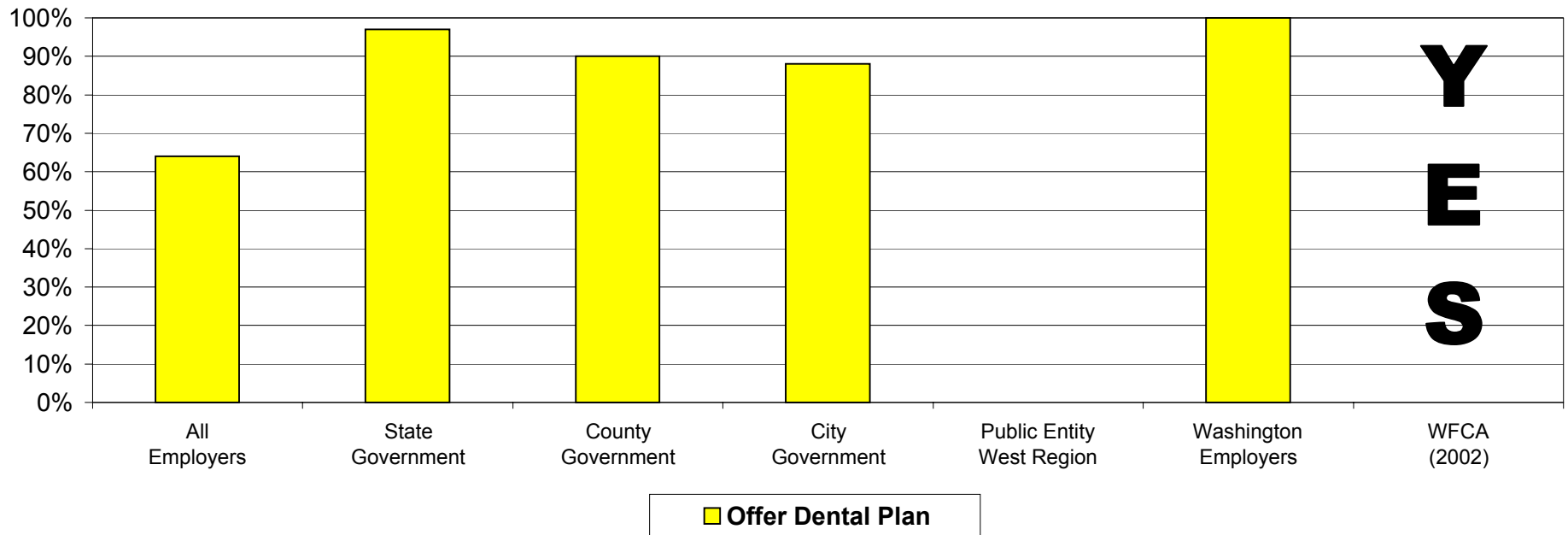
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BENCHMARKING ANALYSIS

2002 ~ PERCENTAGE OF EMPLOYERS OFFERING DENTAL COVERAGE

<u>Dental</u>	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers	WFCA (2002)
Offer Dental Plan	64%	97%	90%	88%	Not Provided	100%	Yes



Based on Mercer 2002 National Survey of Employer-Sponsored Health Plans

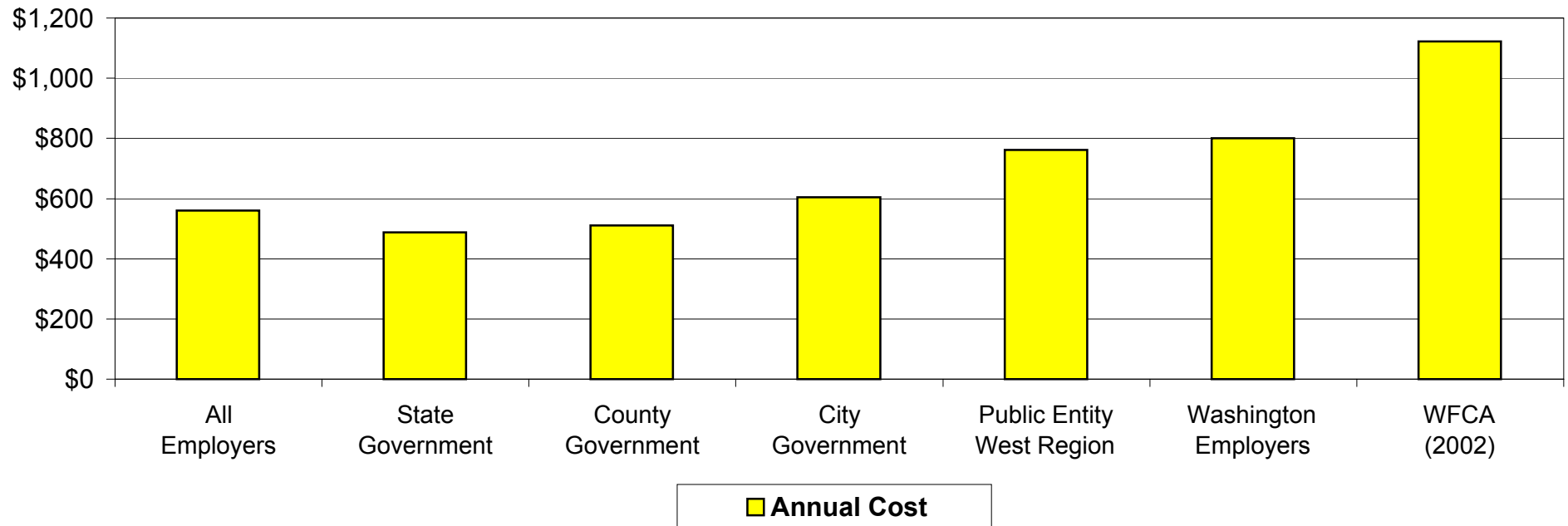
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BENCHMARKING ANALYSIS

2002 ~ DENTAL ~ AVERAGE DENTAL PLAN COST PER EMPLOYEE

<u>Dental Plan</u>	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers	WFCA (2002)
Annual Cost	\$561	\$487	\$510	\$604	\$761	\$800	\$1,122
Per Month	\$47	\$41	\$43	\$50	\$63	\$67	\$93

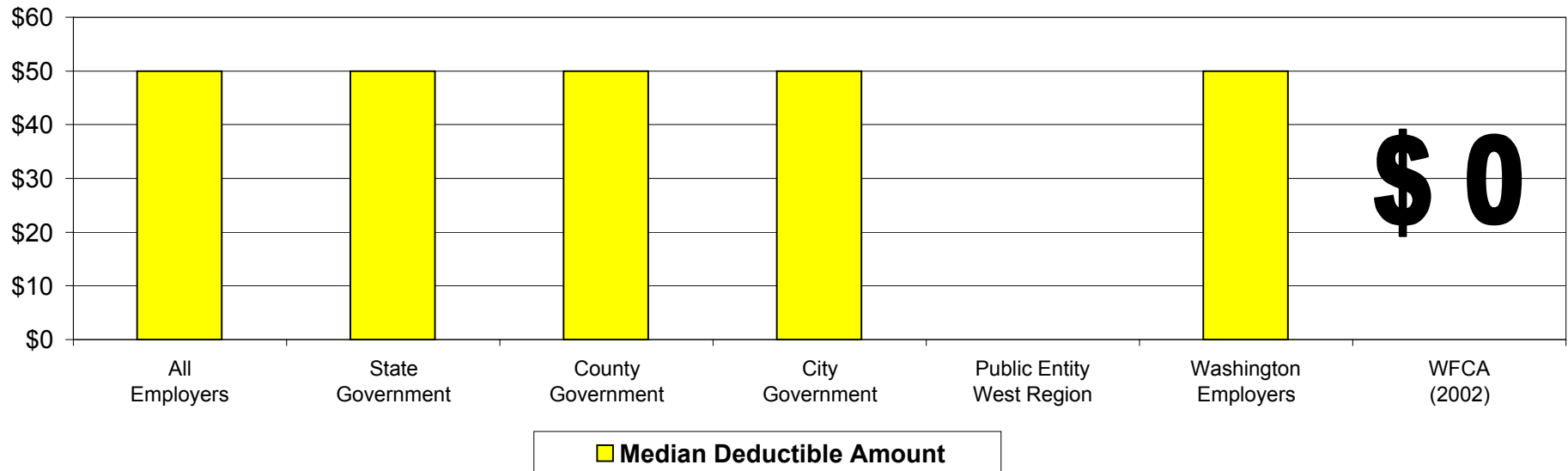


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BENCHMARKING ANALYSIS

2002 ~ DENTAL ~ MEDIAN DEDUCTIBLE AMOUNT

<u>Dental</u>	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers	WFCA (2002)
Median Deductible Amount	\$50	\$50	\$50	\$50	Not Provided	\$50	\$0
Percent of Employers Requi a Dental Deductible:	54%	55%	61%	62%	Not Provided	73%	



Based on Mercer 2002 National Survey of Employer-Sponsored Health Plans

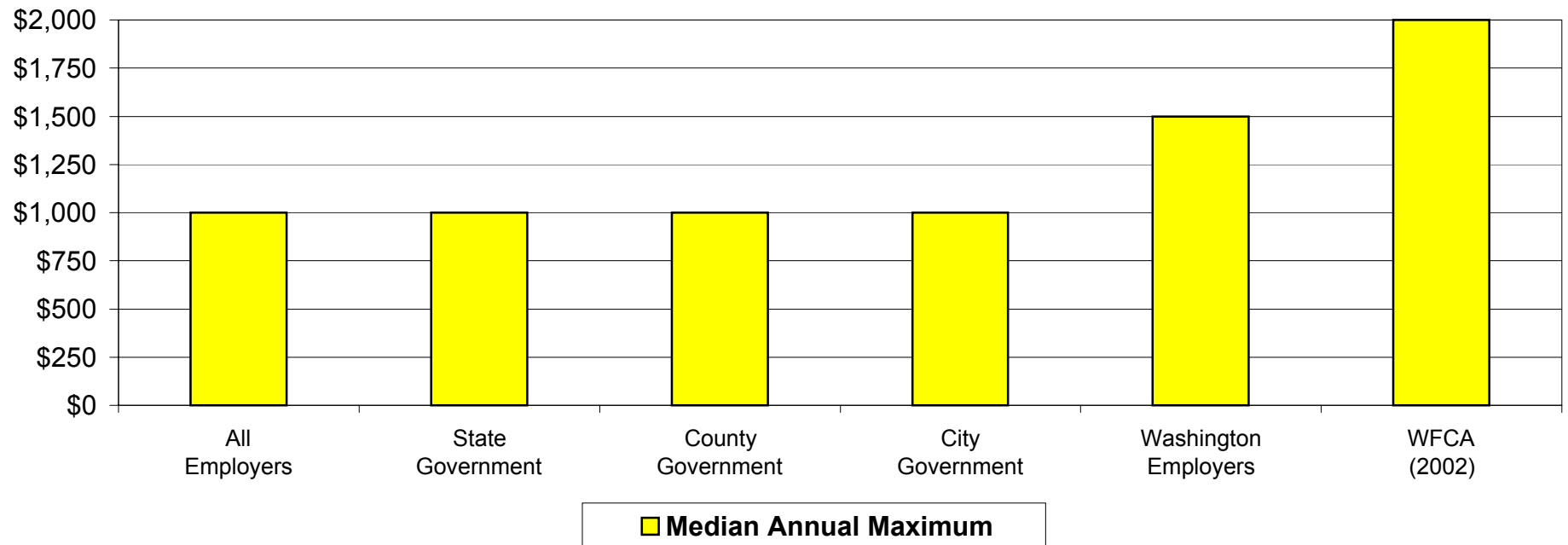
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BENCHMARKING ANALYSIS

2002 ~ DENTAL ~ MEDIAN ANNUAL MAXIMUM AMOUNT

<u>Dental</u>	All Employers	State Government	County Government	City Government	Washington Employers	WFCA (2002)
Median Annual Maximum	\$1,000	\$1,000	\$1,000	\$1,000	\$1,500	\$2,000

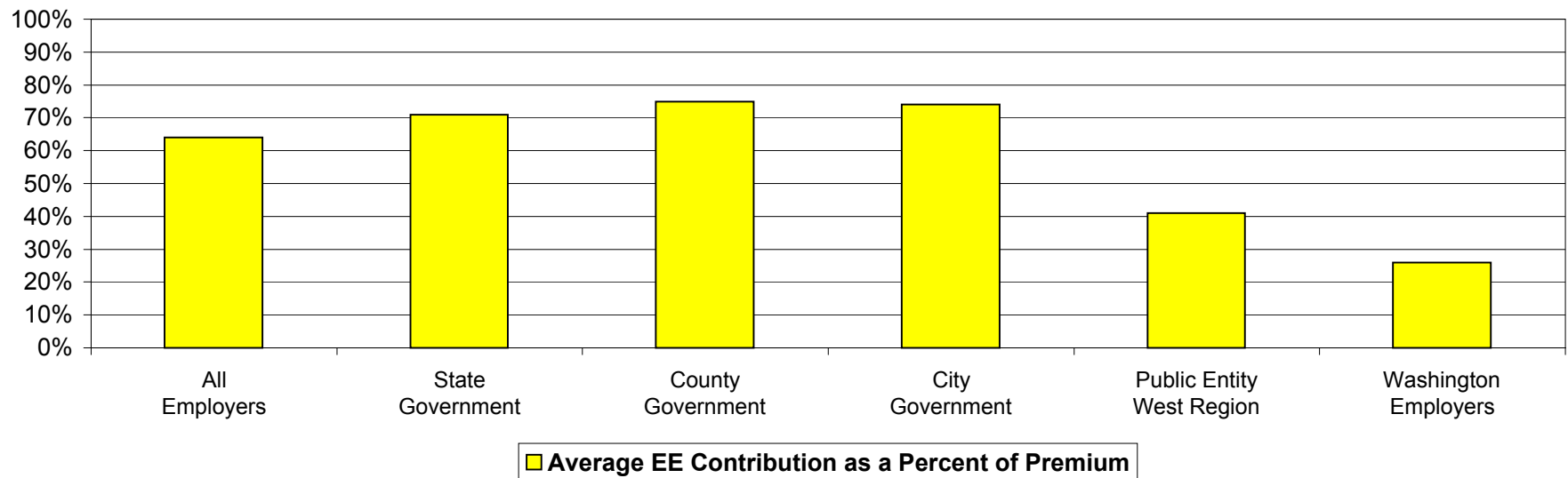


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2002 ~ DENTAL ~ AVERAGE EMPLOYEE CONTRIBUTION FOR EMPLOYEE ONLY COVERAGE

<u>Dental Plan</u>	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers
No Contribution Required (% of Employers)	49%	48%	52%	46%	Not Provided	73%
Average Monthly Employee Contribution	\$18	\$10	\$16	\$15	\$13	\$9
Average EE Contribution as a Percent of Premium	64%	71%	75%	74%	41%	26%



Based on Mercer 2002 National Survey of Employer-Sponsored Health Plans

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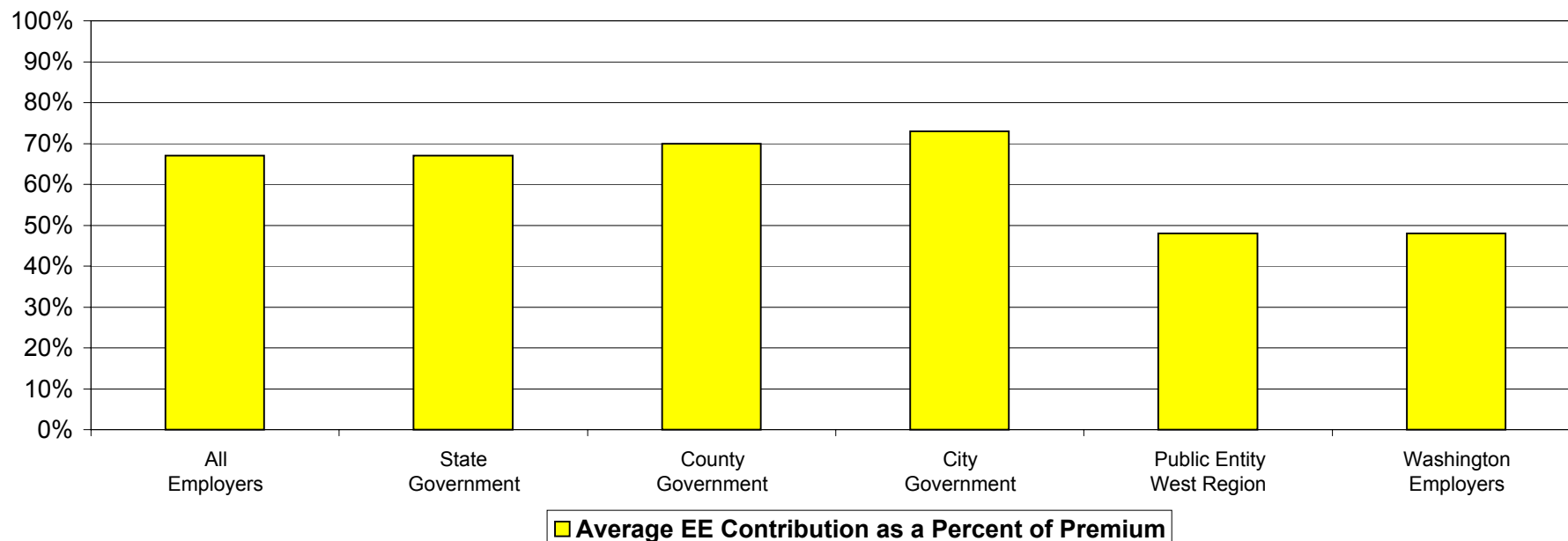
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BENCHMARKING ANALYSIS

2002 ~ DENTAL ~ AVERAGE EMPLOYEE CONTRIBUTION FOR FAMILY* COVERAGE

<u>Dental Plan</u>	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers
No Contribution Required (% of Employers)	23%	15%	22%	28%	Not Provided	37%
Average Monthly Employee Contribution	\$50	\$28	\$38	\$38	\$32	\$48
Average EE Contribution as a Percent of Premium	67%	67%	70%	73%	48%	48%

* For Employee, Spouse and 2 Children



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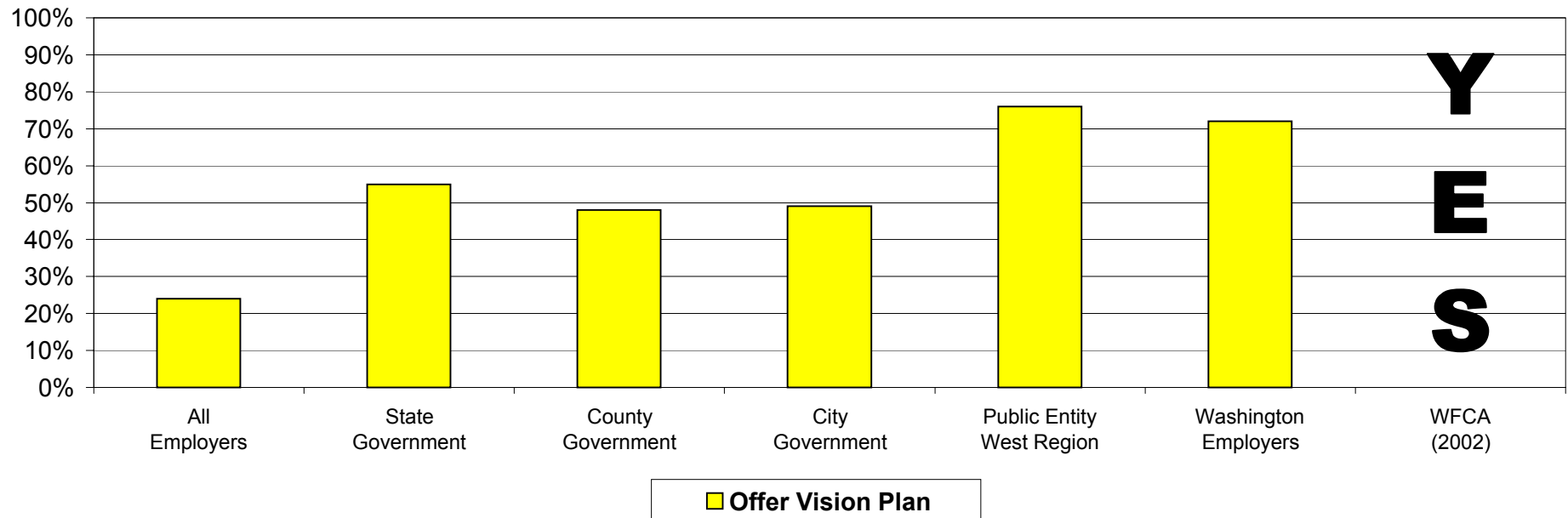
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BENCHMARKING ANALYSIS

2002 ~ PERCENTAGE OF EMPLOYERS OFFERING VISION COVERAGE

<u>Vision</u>	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers	WFC (2002)
Offer Vision Plan	24%	55%	48%	49%	76%	72%	YES



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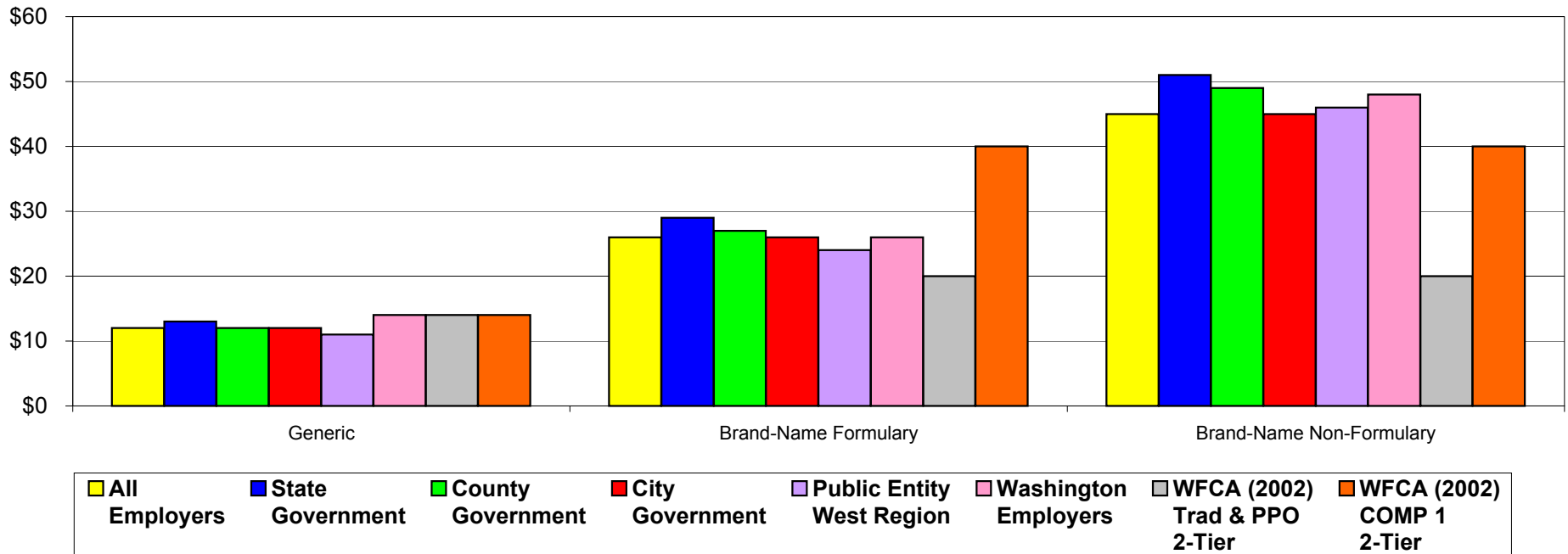
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BENCHMARKING ANALYSIS

2002 ~ 3-TIER MAIL ORDER PRESCRIPTION DRUG AVERAGE COPAY

For the Employer's Largest Managed Care Plan, of any type.	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers	WFC (2002) Trad & PPO 2-Tier	WFC (2002) COMP 1 2-Tier
Generic	\$12	\$13	\$12	\$12	\$11	\$14	\$14	\$14
Brand-Name Formulary	\$26	\$29	\$27	\$26	\$24	\$26	\$20	\$40
Brand-Name Non-Formulary	\$45	\$51	\$49	\$45	\$46	\$48	\$20	\$40



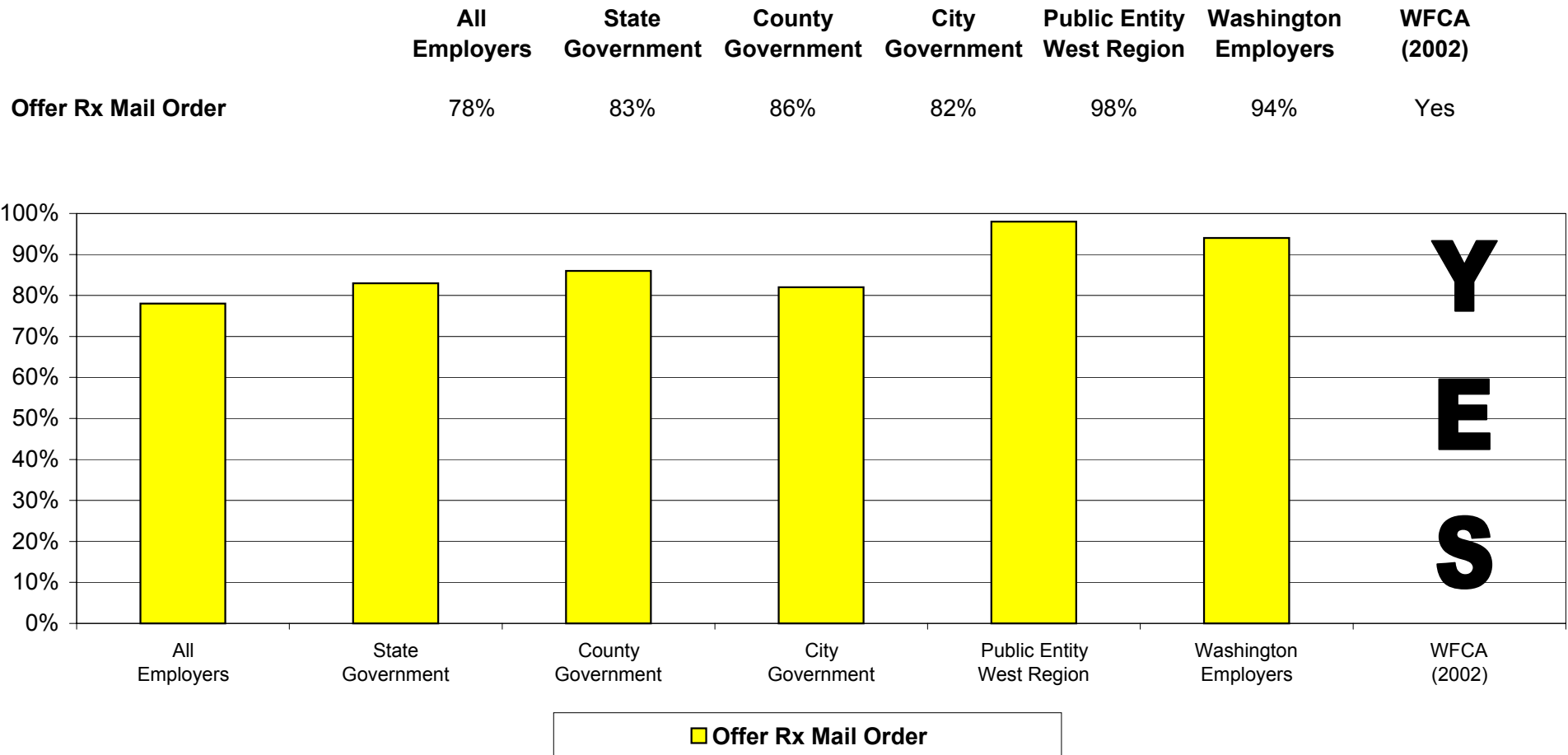
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BENCHMARKING ANALYSIS

2002 ~ PERCENTAGE OF EMPLOYERS OFFERING MAIL ORDER PRESCRIPTION DRUGS



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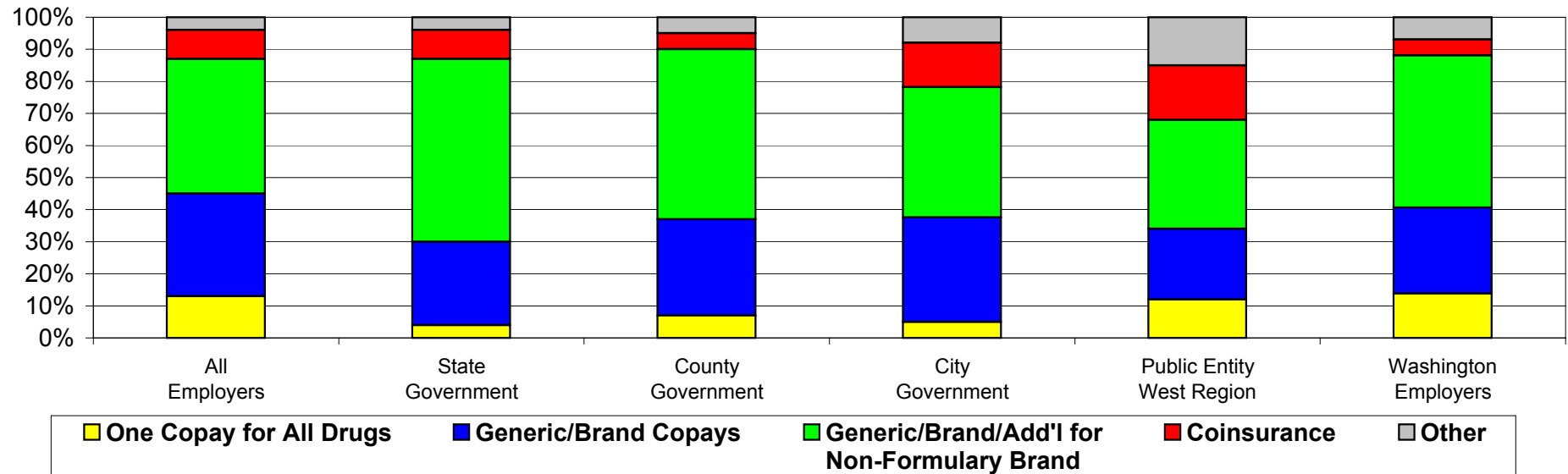
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BENCHMARKING ANALYSIS

2002 ~ PRESCRIPTION DRUG CARD (RETAIL PHARMACY) ~ COST SHARING ARRANGEMENTS

For the Employer's Largest Managed Care Plan, of any type.	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers	WFCA (2002)
One Copay for All Drugs	13%	4%	7%	5%	12%	14%	
Generic/Brand Copays	32%	26%	30%	33%	22%	27%	Yes
Generic/Brand/Add'l for Non-Formulary Brand	42%	57%	53%	41%	34%	48%	
Coinsurance	9%	9%	5%	14%	17%	5%	
Other	4%	4%	5%	8%	15%	7%	



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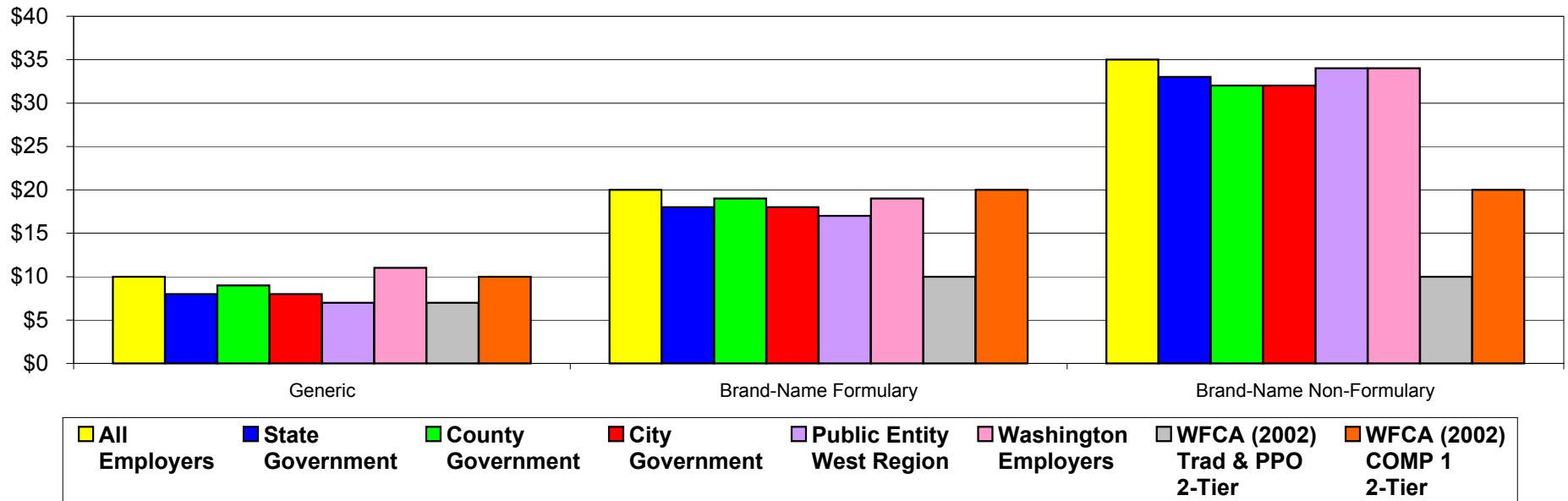
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BENCHMARKING ANALYSIS

2002 ~ 3-TIER PRESCRIPTION DRUG CARD (RETAIL PHARMACY) ~ AVERAGE COPAY

For the Employer's Largest Managed Care Plan, of any type.	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers	WFCA (2002) Trad & PPO 2-Tier	WFCA (2002) COMP 1 2-Tier
Generic	\$10	\$8	\$9	\$8	\$7	\$11	\$7	\$10
Brand-Name Formulary	\$20	\$18	\$19	\$18	\$17	\$19	\$10	\$20
Brand-Name Non-Formulary	\$35	\$33	\$32	\$32	\$34	\$34	\$10	\$20



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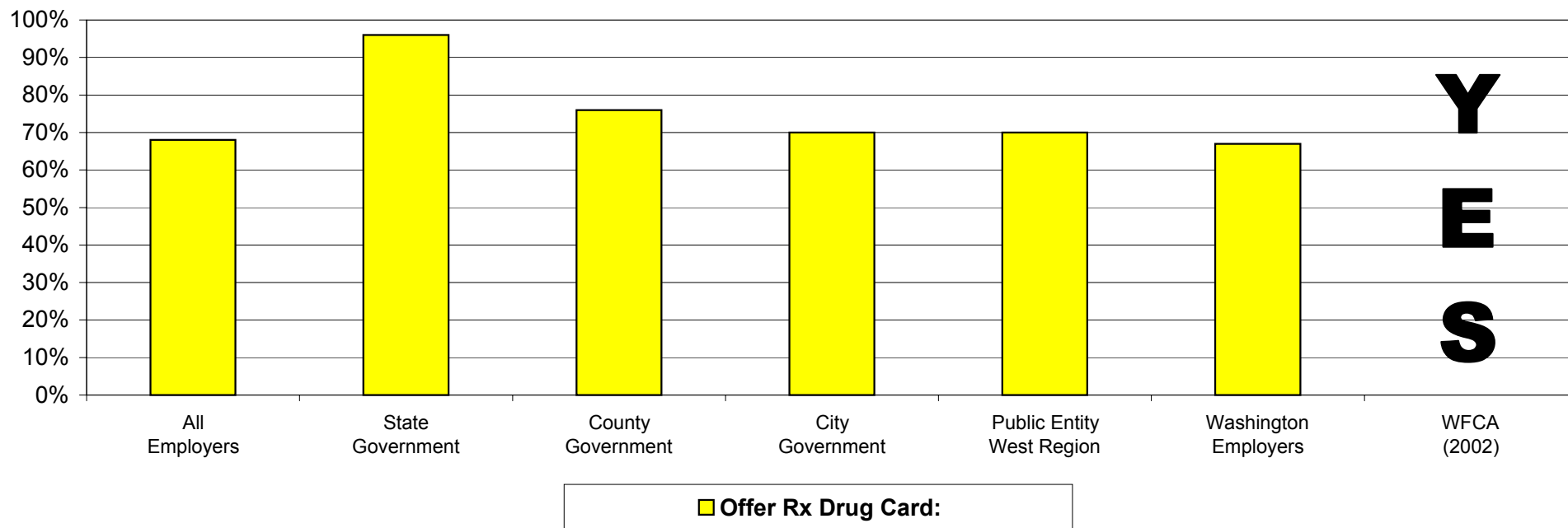
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BENCHMARKING ANALYSIS

2002 ~ PERCENTAGE OF EMPLOYERS OFFERING PRESCRIPTION DRUG CARD PLAN

	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers	WFCA (2002)
Offer Rx Drug Card:	68%	96%	76%	70%	70%	67%	Yes



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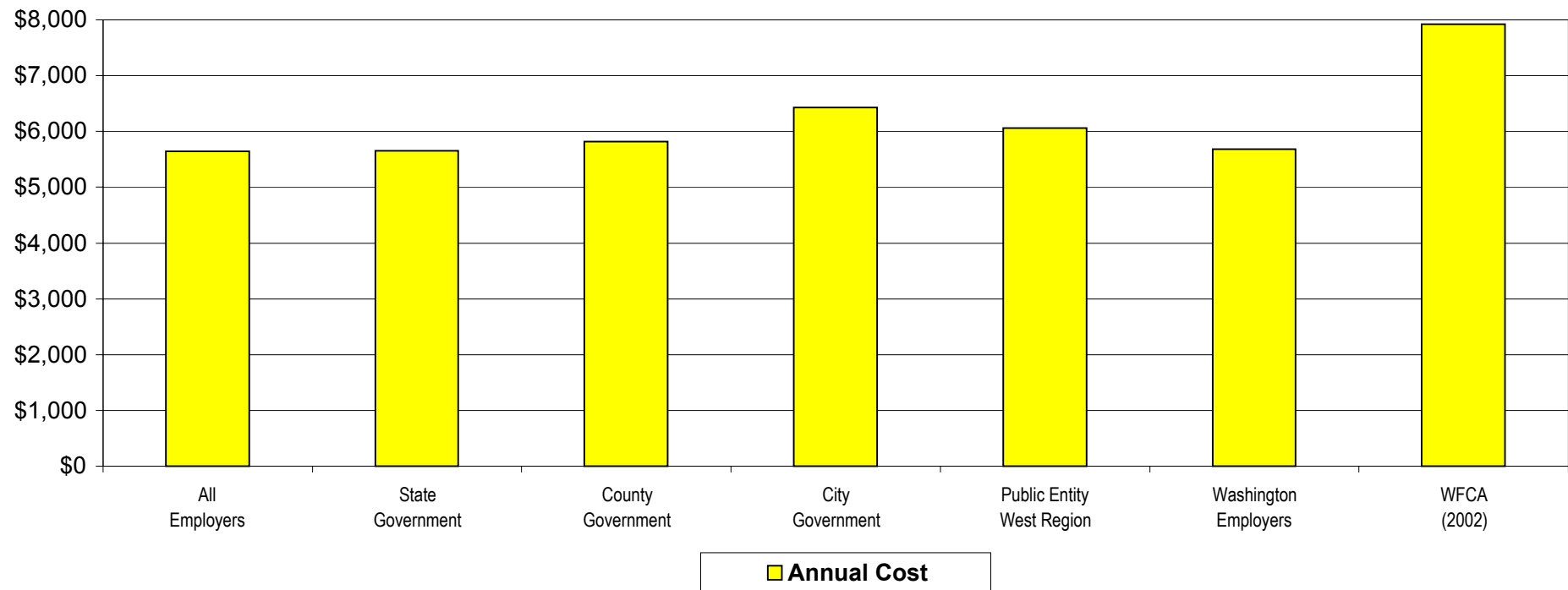
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BENCHMARKING ANALYSIS

2002 ~ AVERAGE HEALTH* BENEFIT COST PER ACTIVE EMPLOYEE

<u>Health Benefits*</u>	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers	WFCA (2002)
Annual Cost	\$5,646	\$5,654	\$5,822	\$6,427	\$6,061	\$5,686	\$7,920
Per Month	\$471	\$471	\$485	\$536	\$505	\$474	\$660

* Health Benefit includes Claims and Administrative cost for Medical, Prescription, Vision, and Dental Benefits.



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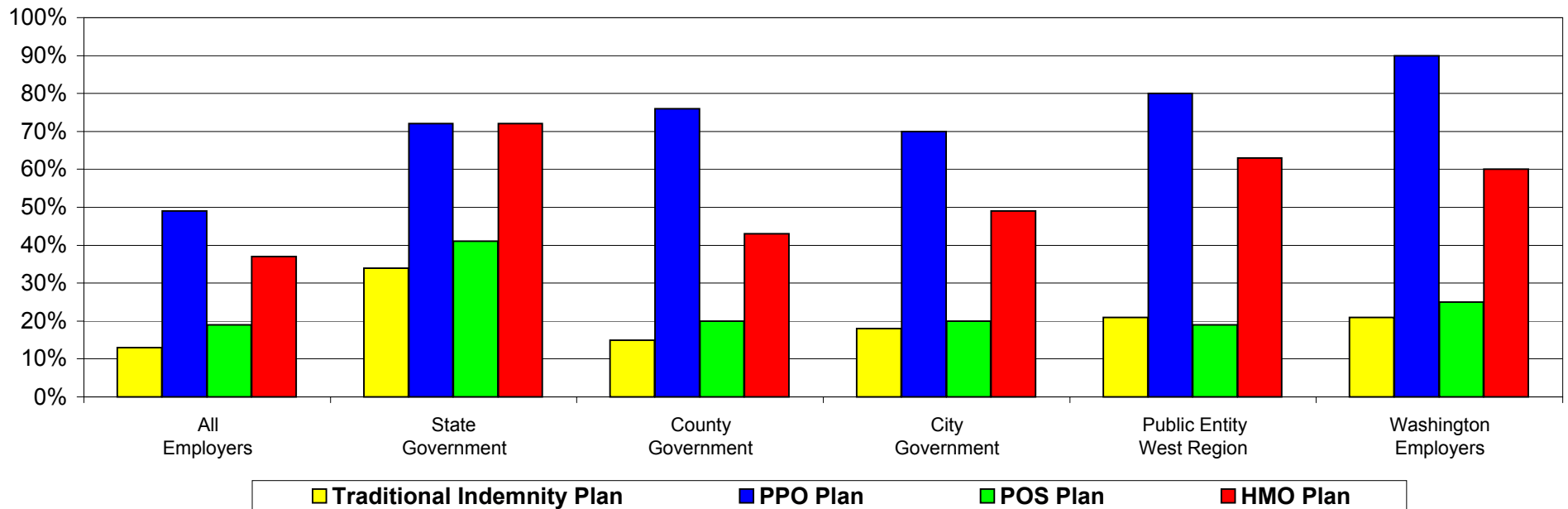
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BENCHMARKING ANALYSIS

2002 ~ TYPE OF MEDICAL PLAN OFFERED

% of Employers Offering at Least One:	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers	WFCA (2002)
Traditional Indemnity Plan	13%	34%	15%	18%	21%	21%	Yes
PPO Plan	49%	72%	76%	70%	80%	90%	Yes
POS Plan	19%	41%	20%	20%	19%	25%	No
HMO Plan	37%	72%	43%	49%	63%	60%	Yes



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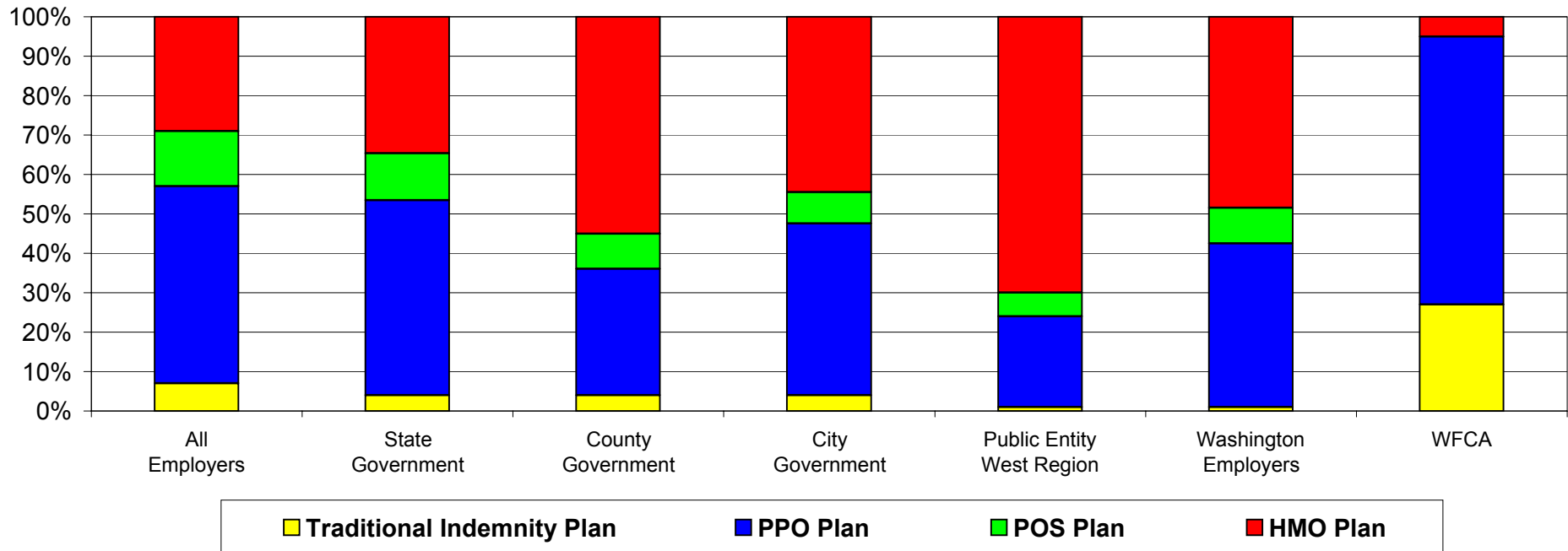
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BENCHMARKING ANALYSIS

2002 ~ EMPLOYEE ENROLLMENT IN EACH PLAN TYPE OF MEDICAL PLAN

	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers	WFCA
Traditional Indemnity Plan	7%	4%	4%	4%	1%	1%	27%
PPO Plan	50%	50%	32%	44%	23%	41%	68%
POS Plan	14%	12%	9%	8%	6%	9%	N/A
HMO Plan	29%	35%	55%	45%	70%	48%	5%

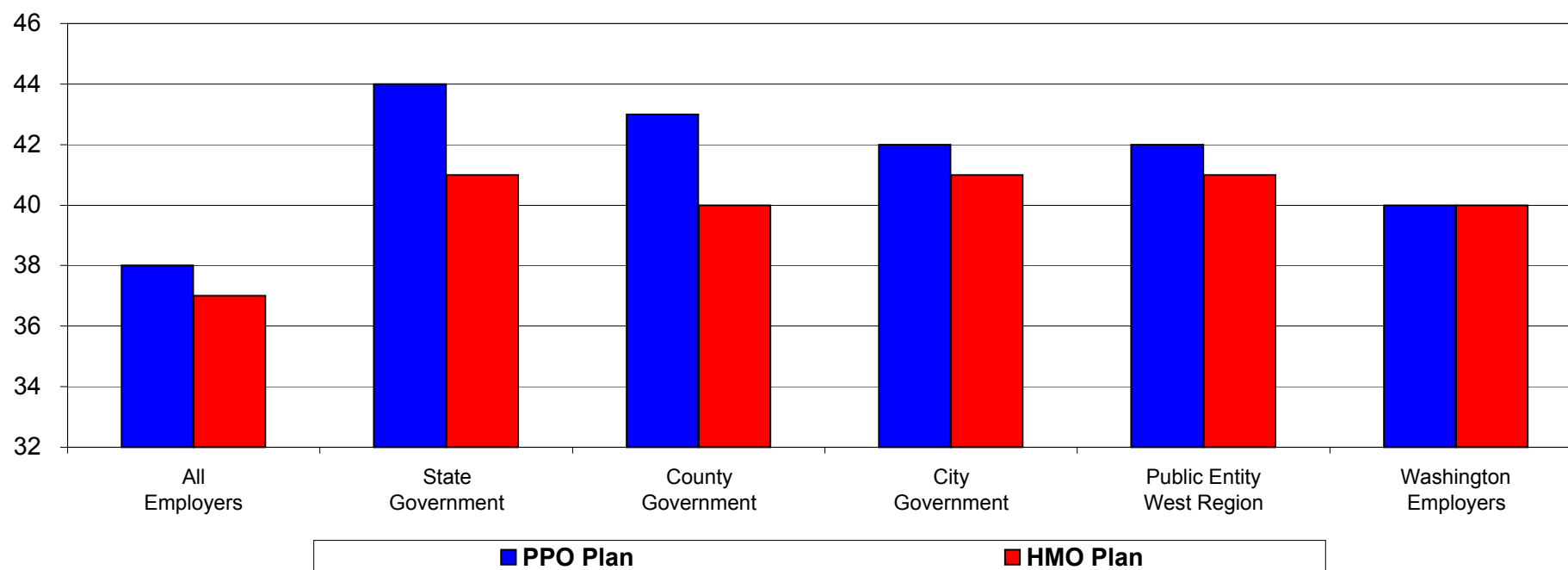


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2002 ~ AVERAGE AGE OF ACTIVE EMPLOYEES ENROLLED UNDER MEDICAL PLAN

Active Enrolled Employee Average Age:	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers
PPO Plan	38	44	43	42	42	40
HMO Plan	37	41	40	41	41	40



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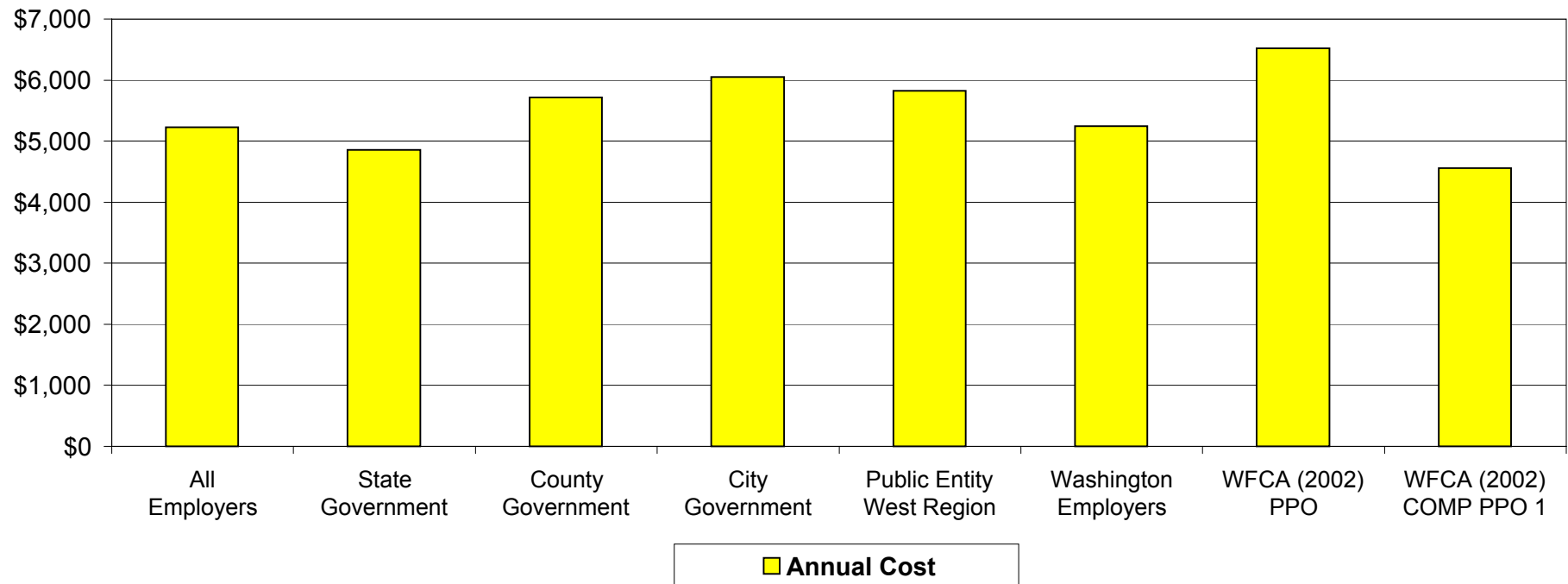
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BENCHMARKING ANALYSIS

2002 ~ PPO ~ AVERAGE MEDICAL PLAN COST PER ACTIVE EMPLOYEE

<u>PPO Plan</u>	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers	WFCA (2002) PPO	WFCA (2002) COMP PPO 1
Annual Cost	\$5,227	\$4,857	\$5,720	\$6,054	\$5,827	\$5,242	\$6,524	\$4,558
Per Month	\$436	\$405	\$477	\$505	\$486	\$437	\$544	\$380



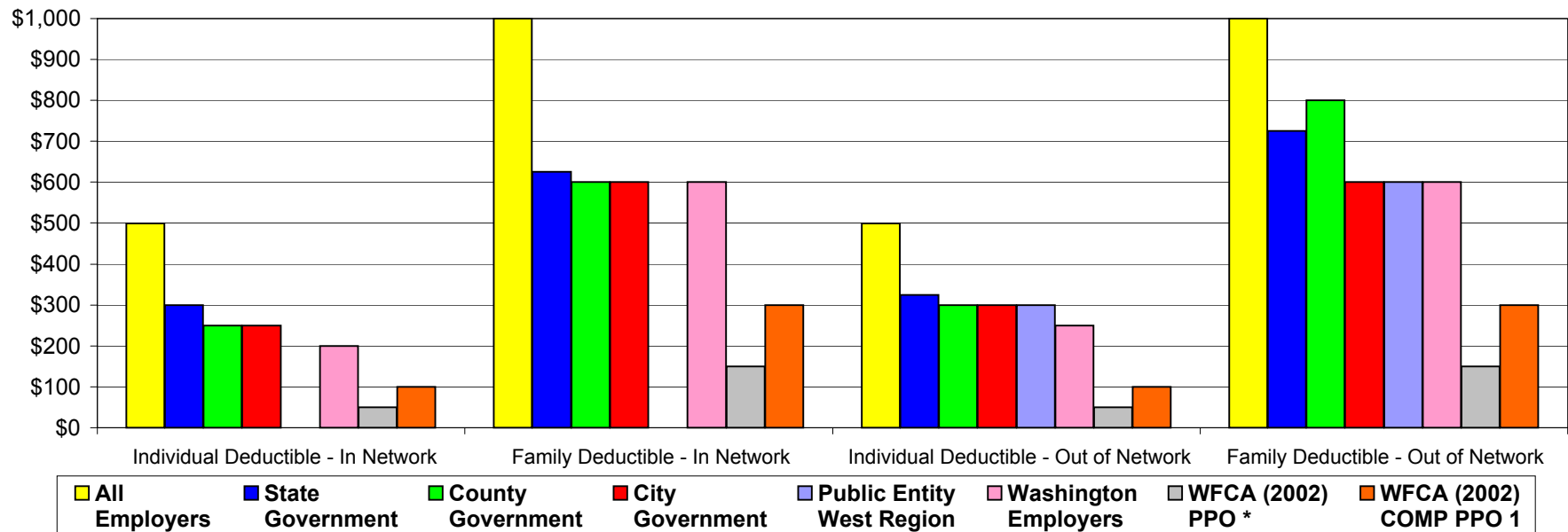
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BENCHMARKING ANALYSIS

2002 ~ PPO ~ MEDIAN DEDUCTIBLE AMOUNT

<u>PPO Plan:</u>	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers	WFCA (2002) PPO *	WFCA (2002) COMP PPO 1
Individual Deductible - In Network	\$500	\$300	\$250	\$250	Not Provided	\$200	\$50	\$100
Family Deductible - In Network	\$1,000	\$625	\$600	\$600	Not Provided	\$600	\$150	\$300
Individual Deductible - Out of Network	\$500	\$325	\$300	\$300	\$300	\$250	\$50	\$100
Family Deductible - Out of Network	\$1,000	\$725	\$800	\$600	\$600	\$600	\$150	\$300

* The Deductible is waived for Employee under the PPO Plan.



Based on Mercer 2002 National Survey of Employer-Sponsored Health Plans

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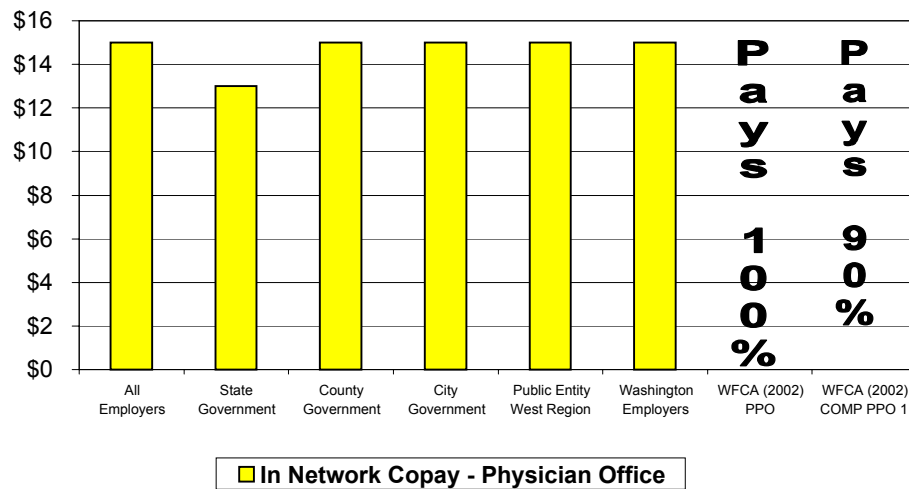
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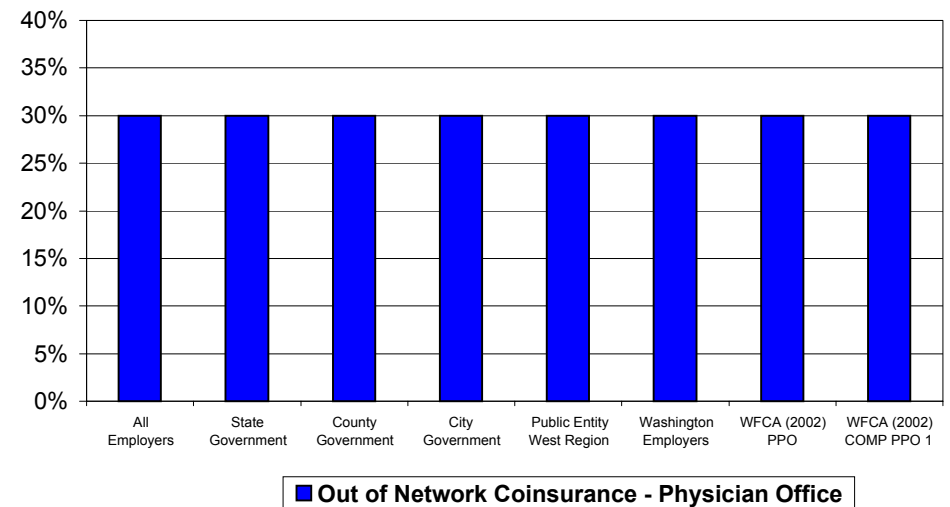
2002 ~ PPO ~ MEDIAN COPAY and COINSURANCE FOR PHYSICIAN OFFICE VISITS

<u>PPO Plan</u>	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers	WFCA (2002) PPO	WFCA (2002) COMP PPO 1
In Network Copay - Physician Office	\$15	\$13	\$15	\$15	\$15	\$15	Paid at 100%	Paid at 90%
Out of Network Coinsurance - Physician Office	30%	30%	30%	30%	30%	30%	30%	30%

In Network Copay - Physician Office



Out of Network Coinsurance - Physician Office



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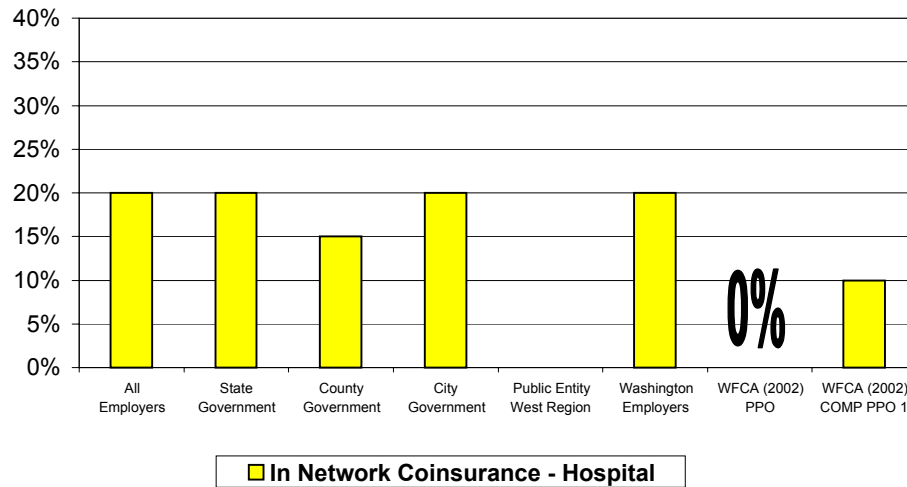
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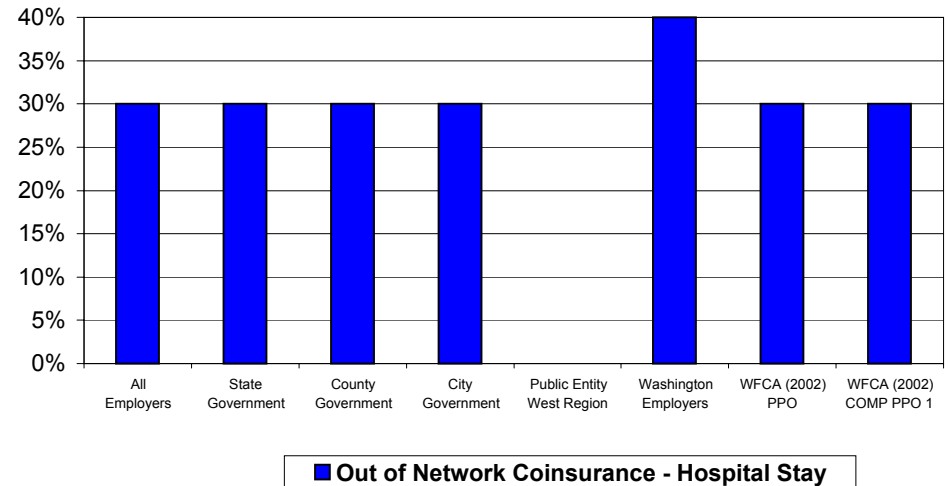
2002 ~ PPO ~ MEDIAN COINSURANCE FOR HOSPITAL STAY

<u>PPO Plan</u>	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers	WFCA (2002) PPO	WFCA (2002) COMP PPO 1
In Network Coinsurance - Hospital Stay	20%	20%	15%	20%	Not Provided	20%	0%	10%
Out of Network Coinsurance - Hospital Stay	30%	30%	30%	30%	Not Provided	40%	30%	30%

In Network Coinsurance - Hospital Stay



Out of Network Coinsurance - Hospital Stay



Based on Mercer 2002 National Survey of Employer-Sponsored Health Plans

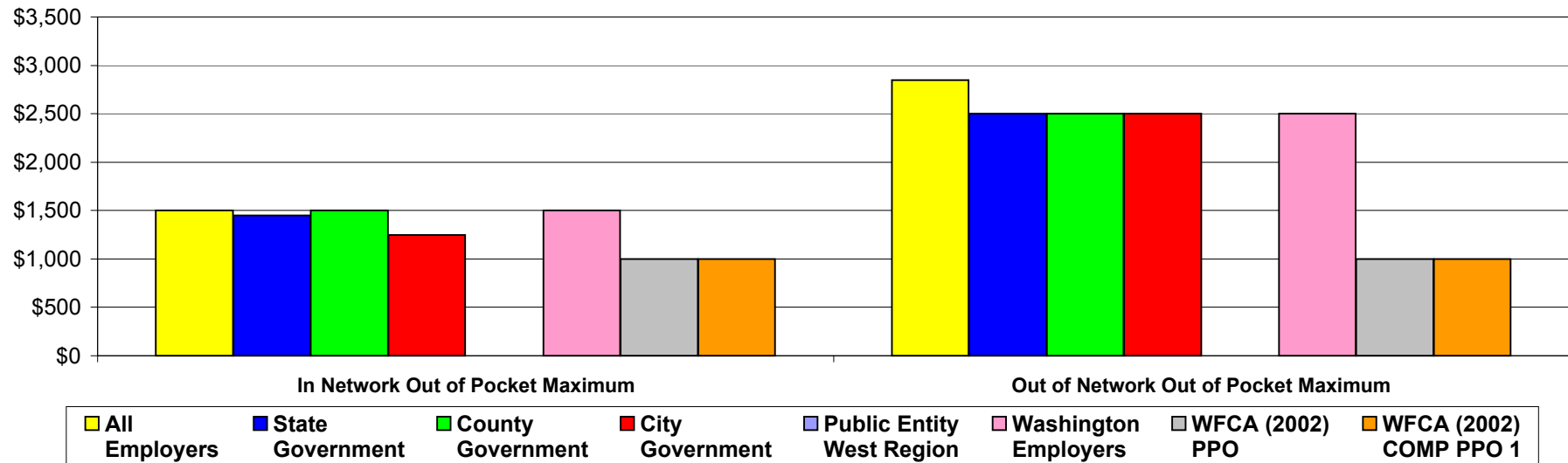
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BENCHMARKING ANALYSIS

2002 ~ PPO ~ MEDIAN INDIVIDUAL OUT OF POCKET MAXIMUM

PPO Plan	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers	WFC (2002) PPO	WFC (2002) COMP PPO 1
In Network Out of Pocket Maximum	\$1,500	\$1,450	\$1,500	\$1,250	Not Provided	\$1,500	\$1,000	\$1,000
Out of Network Out of Pocket Maximum	\$2,850	\$2,500	\$2,500	\$2,500	Not Provided	\$2,500	\$1,000	\$1,000



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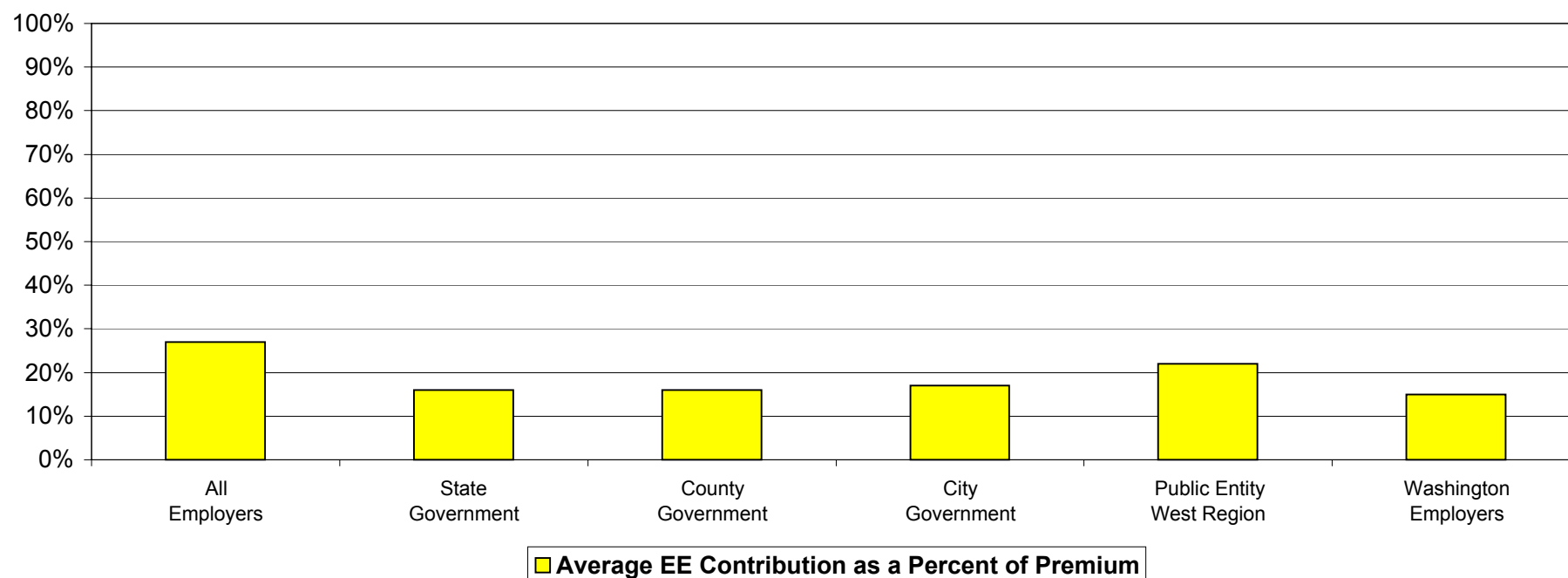
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BENCHMARKING ANALYSIS

2002 ~ PPO ~ AVERAGE EMPLOYEE CONTRIBUTION FOR EMPLOYEE ONLY COVERAGE

<u>PPO Plan</u>	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers
No Contribution Required (% of Employers)	46%	27%	48%	51%	Not Provided	57%
Average Monthly Employee Contribution	\$77	\$48	\$44	\$46	\$58	\$34
Average EE Contribution as a Percent of Premium	27%	16%	16%	17%	22%	15%



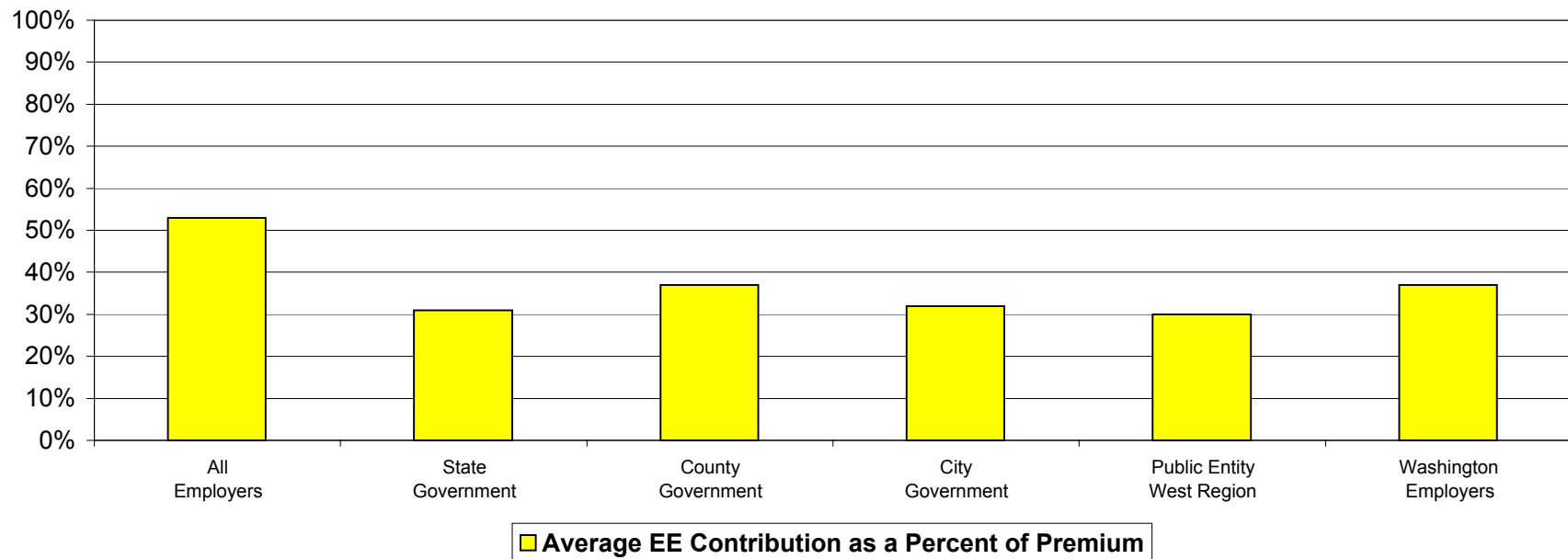
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BENCHMARKING ANALYSIS

2002 ~ PPO ~ AVERAGE EMPLOYEE CONTRIBUTION FOR FAMILY* COVERAGE

<u>PPO Plan</u>	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers
No Contribution Required (% of Employers)	16%	5%	14%	21%	Not Provided	19%
Average Monthly Employee Contribution	\$278	\$227	\$232	\$202	\$200	\$227
Average EE Contribution as a Percent of Premium	53%	31%	37%	32%	30%	37%

* For Employee, Spouse and 2 Children

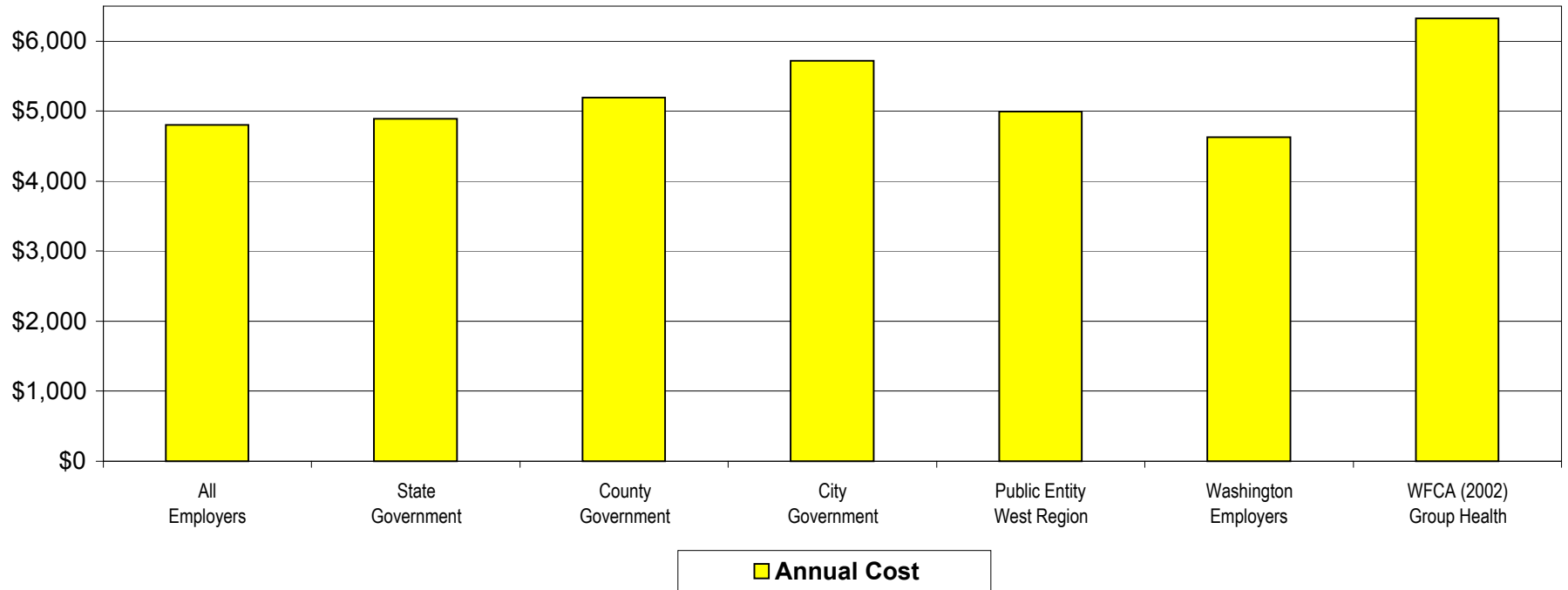


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BENCHMARKING ANALYSIS

2002 ~ HMO ~ AVERAGE MEDICAL PLAN COST PER ACTIVE EMPLOYEE

<u>HMO Plan</u>	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers	WFCA (2002) Group Health
Annual Cost	\$4,803	\$4,893	\$5,197	\$5,720	\$4,995	\$4,626	\$6,322
Per Month	\$400	\$408	\$433	\$477	\$416	\$386	\$527



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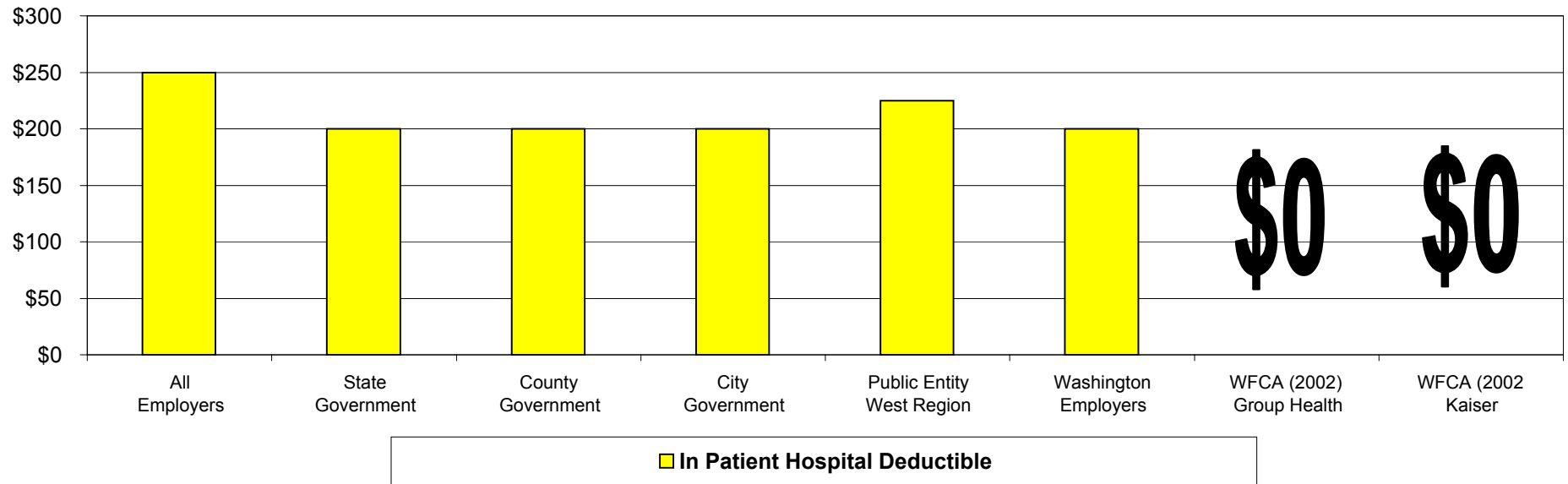
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BENCHMARKING ANALYSIS

2002 ~ HMO ~ MEDIAN DEDUCTIBLE AMOUNT FOR INPATIENT HOSPITAL SERVICES

<u>HMO Plan</u>	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers	WFCA (2002) Group Health	WFCA (2002) Kaiser
In Patient Hospital Deductible	\$250	\$200	\$200	\$200	\$225	\$200	\$0	\$0
Percent of Employers Requiring a Hospital Deductible	45%	50%	40%	33%	29%	35%	N/A	N/A



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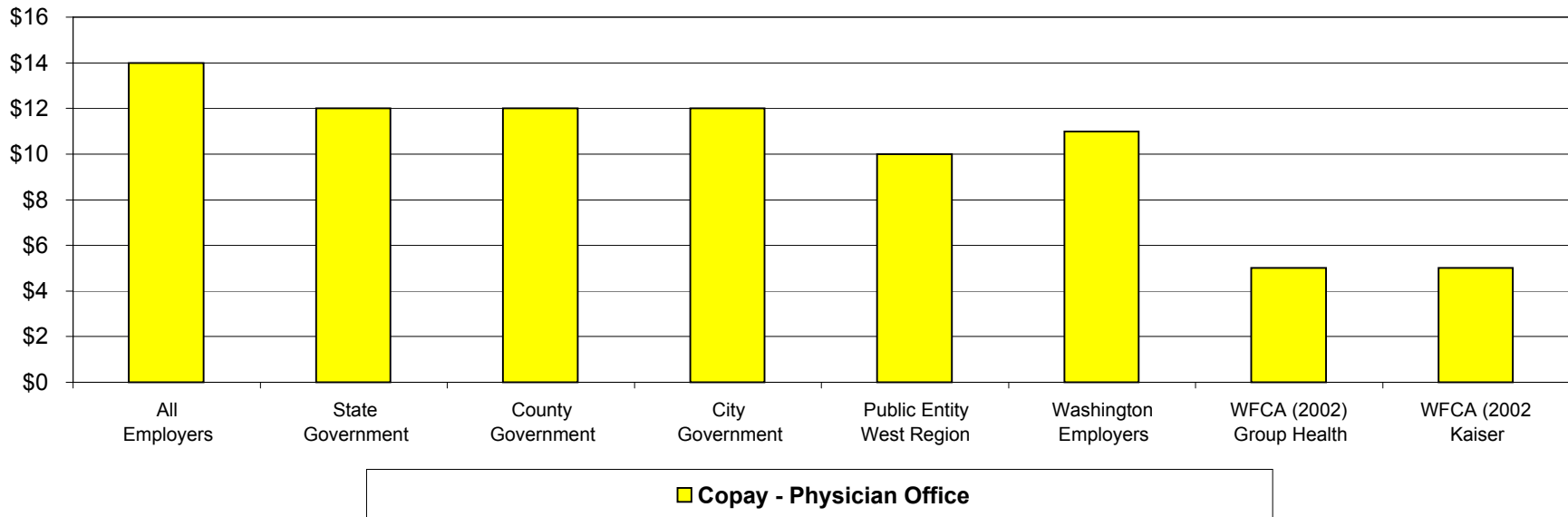
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2002 ~ HMO ~ AVERAGE COPAY FOR PHYSICIAN OFFICE VISITS

<u>HMO Plan</u>	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers	WFCA (2002) Group Health	WFCA (2002) Kaiser
Copay - Physician Office	\$14	\$12	\$12	\$12	\$10	\$11	\$5	\$5



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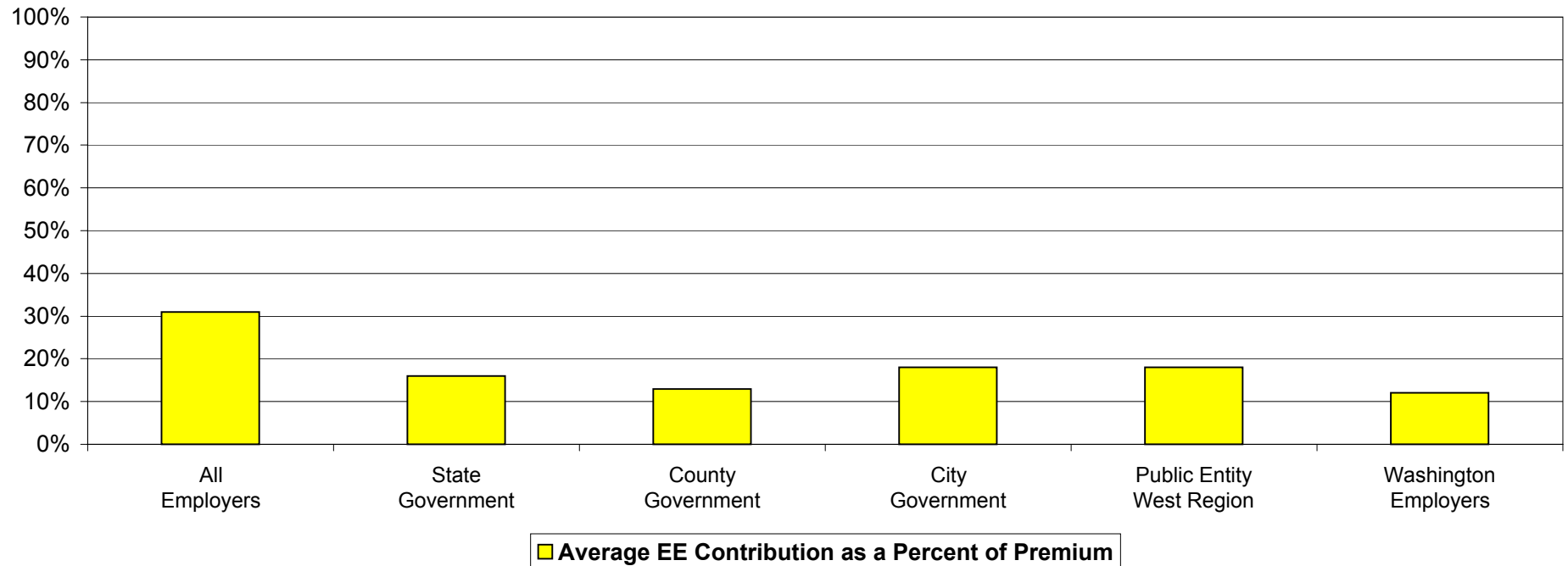
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BENCHMARKING ANALYSIS

2002 ~ HMO ~ AVERAGE EMPLOYEE CONTRIBUTION FOR EMPLOYEE ONLY COVERAGE

<u>HMO Plan</u>	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers
No Contribution Required (% of Employers)	46%	14%	54%	56%	Not Provided	51%
Average Monthly Employee Contribution	\$67	\$41	\$38	\$38	\$41	\$26
Average EE Contribution as a Percent of Premium	31%	16%	13%	18%	18%	12%



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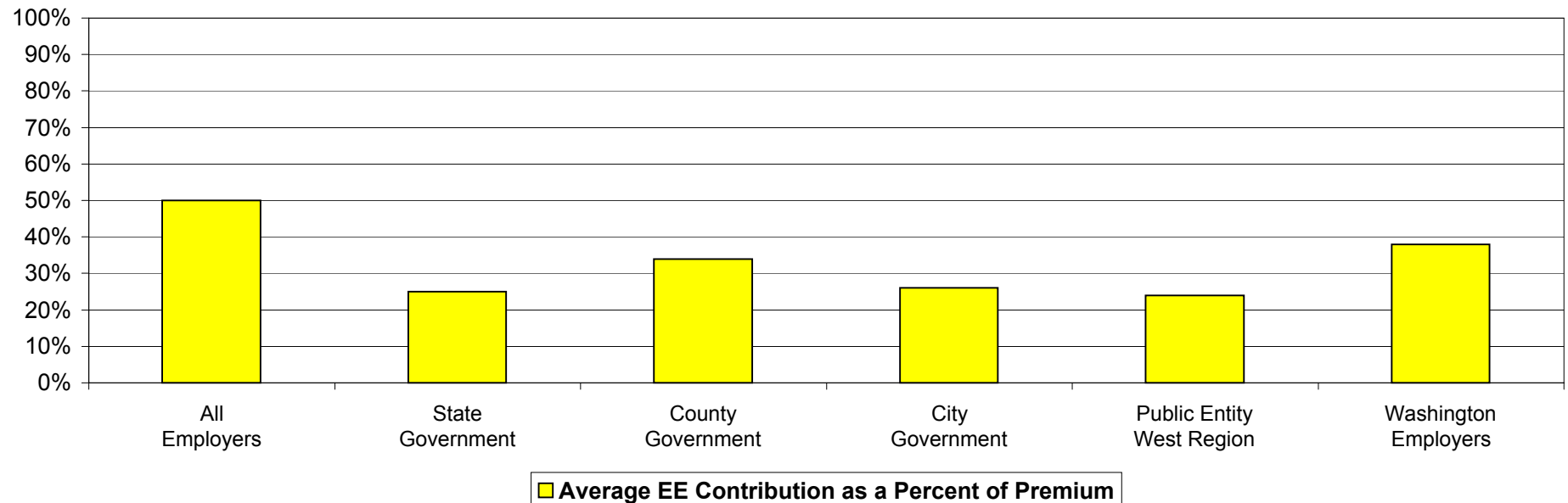
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2002 ~ HMO ~ AVERAGE EMPLOYEE CONTRIBUTION FOR FAMILY * COVERAGE

<u>HMO Plan</u>	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers
No Contribution Required (% of Employers)	23%	5%	25%	29%	Not Provided	21%
Average Monthly Employee Contribution	\$274	\$181	\$224	\$153	\$159	\$230
Average EE Contribution as a Percent of Premium	50%	25%	34%	26%	24%	38%

* For Employee, Spouse & 2 Children



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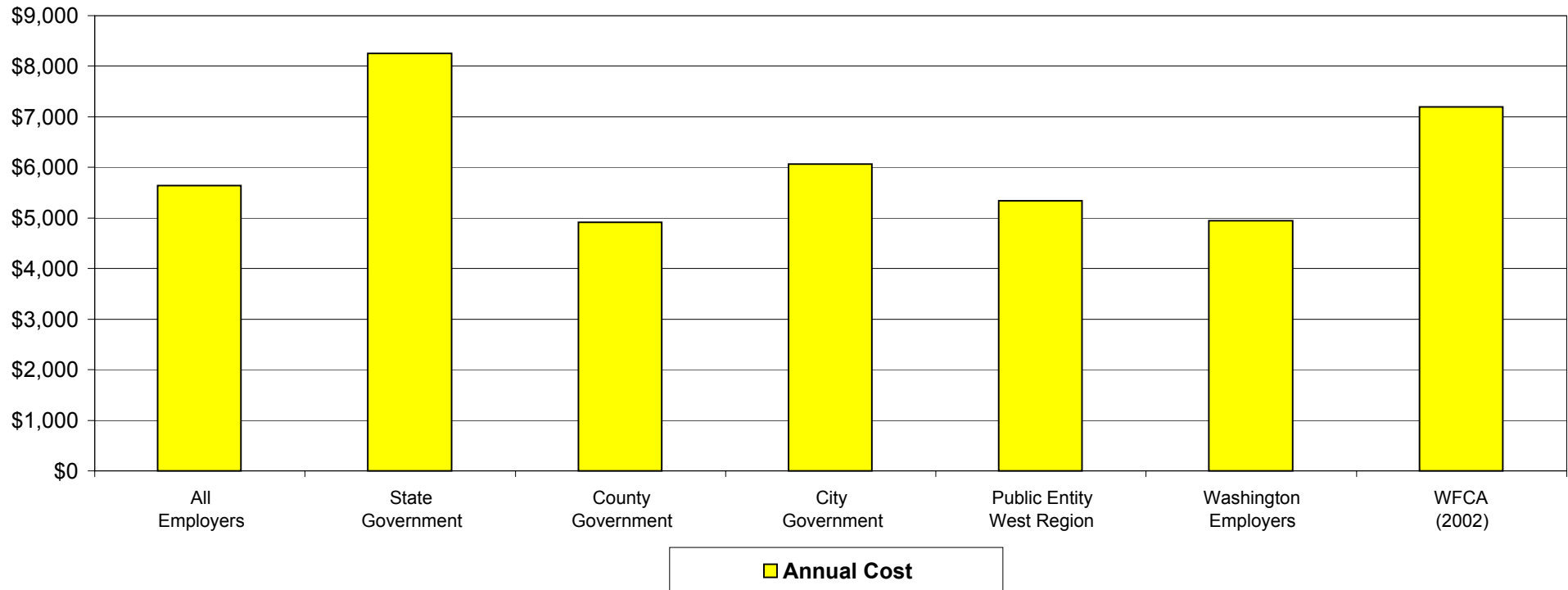
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BENCHMARKING ANALYSIS

2002 ~ TRADITIONAL ~ AVERAGE MEDICAL PLAN COST PER ACTIVE EMPLOYEE

<u>Traditional Plan</u>	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers	WFCA (2002)
Annual Cost	\$5,642	\$8,255	\$4,916	\$6,064	\$5,339	\$4,946	\$7,192
Per Month	\$470	\$688	\$410	\$505	\$445	\$412	\$599



Based on Mercer 2002 National Survey of Employer-Sponsored Health Plans

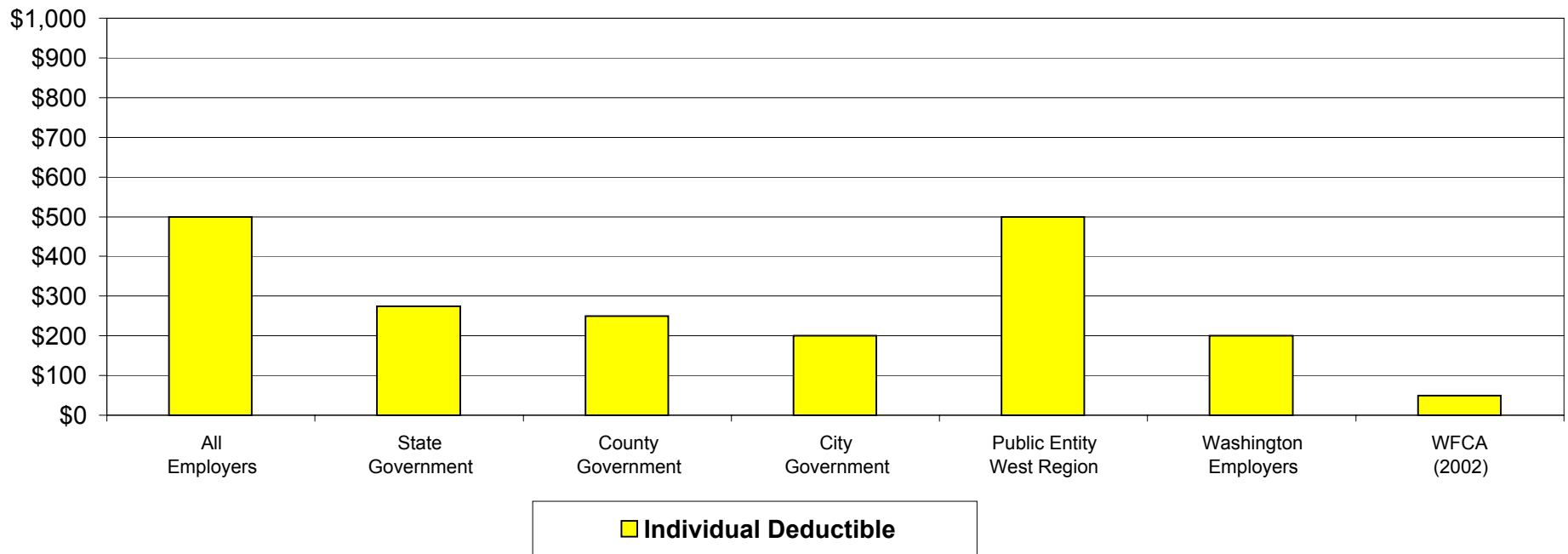
MARSH

Washington Fire Commissioners Association

BENCHMARKING ANALYSIS

2002 ~ TRADITIONAL ~ MEDIAN DEDUCTIBLE AMOUNT

<u>Traditional Plan</u>	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers	WFCA (2002)
Individual Deductible	\$500	\$275	\$250	\$200	\$500	\$200	\$50



Based on Mercer 2002 National Survey of Employer-Sponsored Health Plans

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BENCHMARKING ANALYSIS

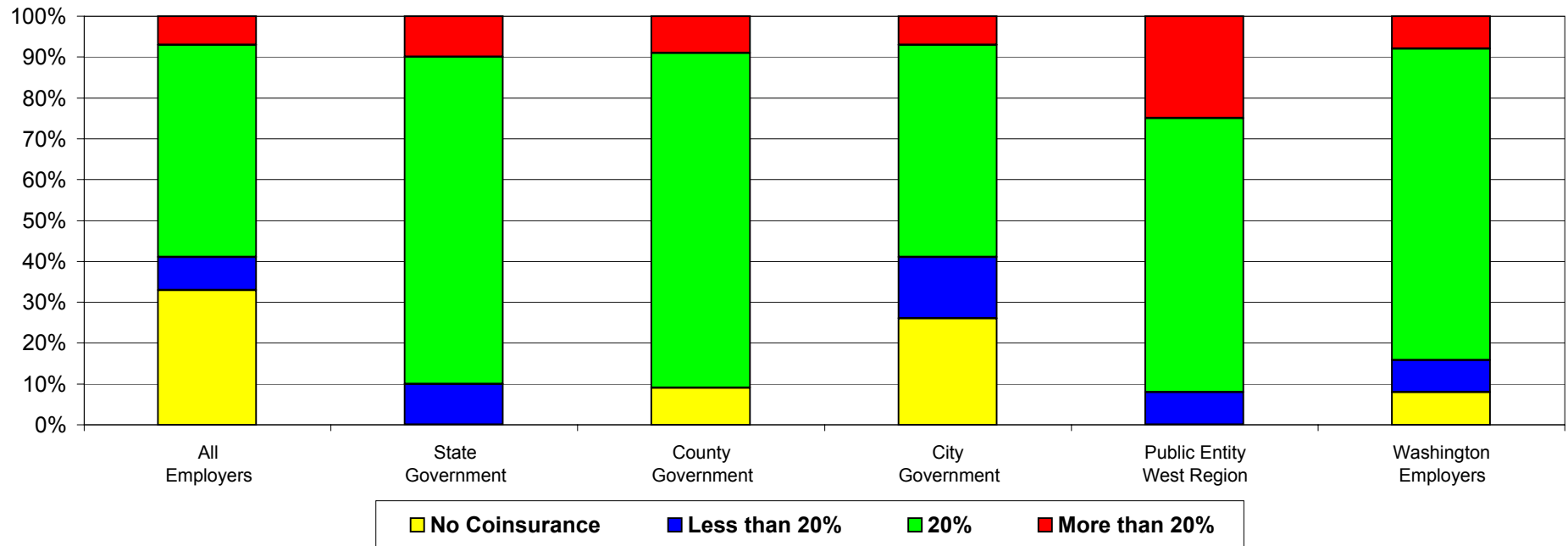
2002 ~ TRADITIONAL ~ COINSURANCE

Traditional Plan

	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers
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Percentage of Employers Who Require Coinsurance of:

No Coinsurance	33%	0%	9%	26%	0%	8%
Less than 20%	8%	10%	0%	15%	8%	8%
20%	52%	80%	82%	52%	67%	77%
More than 20%	7%	10%	9%	7%	25%	8%



Based on Mercer 2002 National Survey of Employer-Sponsored Health Plans

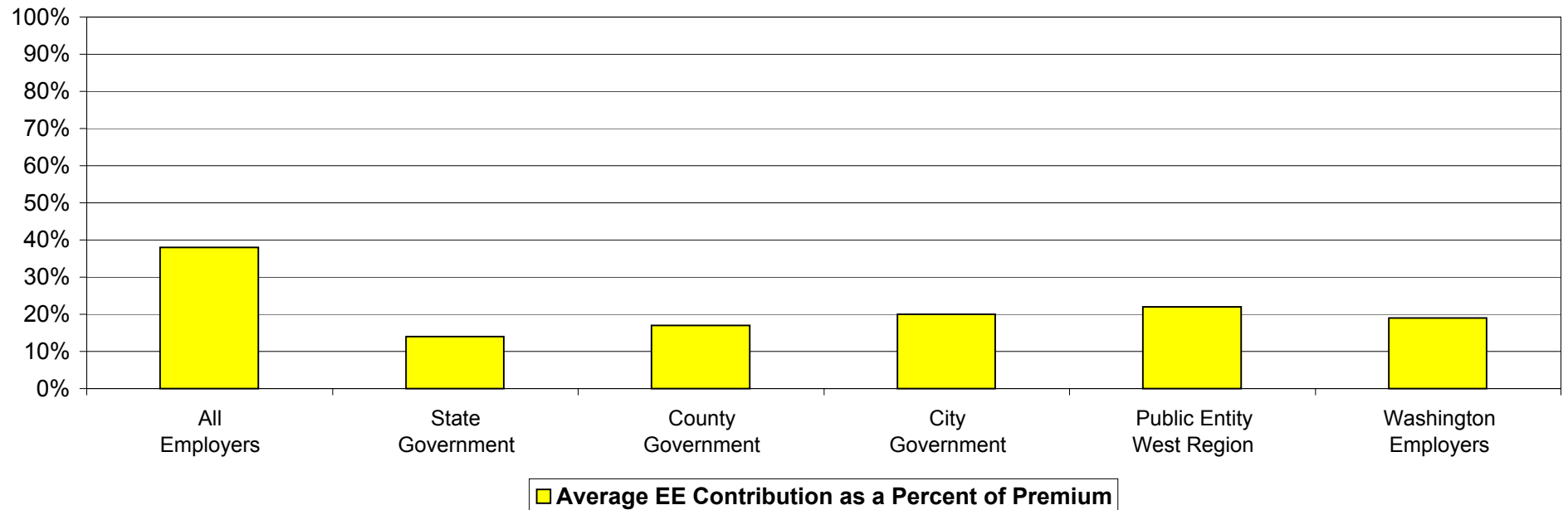
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BENCHMARKING ANALYSIS

2002 ~ TRADITIONAL ~ AVERAGE EMPLOYEE CONTRIBUTION FOR EMPLOYEE ONLY COVERAGE

<u>Traditional Plan</u>	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers
No Contribution Required (% of Employers)	51%	33%	36%	55%	Not Provided	46%
Average Monthly Employee Contribution	\$100	\$57	\$56	\$65	\$53	\$31
Average EE Contribution as a Percent of Premium	38%	14%	17%	20%	22%	19%



Based on Mercer 2002 National Survey of Employer-Sponsored Health Plans

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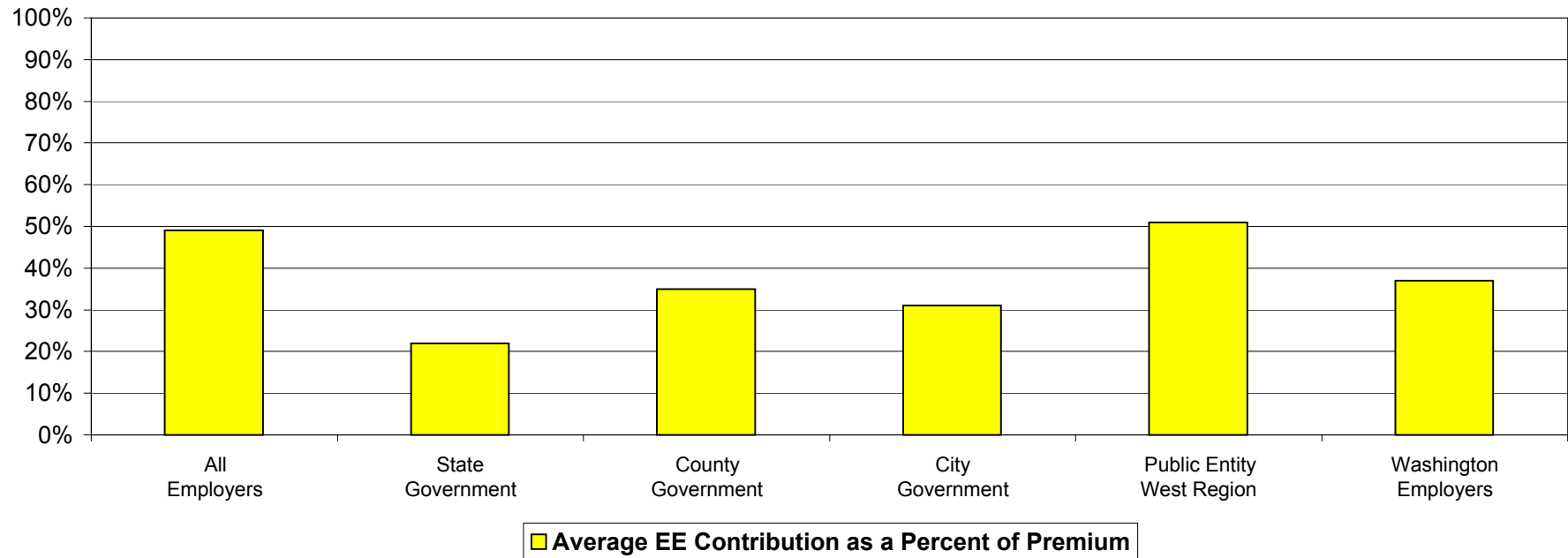
Washington Fire Commissioners Association

BENCHMARKING ANALYSIS

2002 ~ TRADITIONAL ~ AVERAGE EMPLOYEE CONTRIBUTION FOR FAMILY* COVERAGE

<u>Traditional Plan</u>	All Employers	State Government	County Government	City Government	Public Entity West Region	Washington Employers
No Contribution Required (% of Employers)	31%	11%	32%	41%	Not Provided	15%
Average Monthly Employee Contribution	\$278	\$200	\$288	\$250	\$325	\$203
Average EE Contribution as a Percent of Premium	49%	22%	35%	31%	51%	37%

* For Employee, Spouse and 2 Children



Washington Fire Commissioners Association

BENCHMARKING ANALYSIS

The enclosed *Benchmarking Analysis* report compares Health Plan costs and benefit features* for the following Employer categories:

All Employers	~ Nationwide - All Employers (with 10 or more employees)
State Government	~ Nationwide - All State Employers (with 10 or more employees)
County Government	~ Nationwide - All County Employers (with 10 or more employees)
City Government	~ Nationwide - All City Employers (with 10 or more employees)
Public Entities	~ West Region (AZ, CA, CO, ID, MT, NV, NM, OR, UT, WA, WY) - All Public Employers
Washington State	~ Washington State - all Employers (with 10 or more employees)

* Based on Mercer 2002 National Survey of Employer-Sponsored Health Plans